BONDI MINING

two thousand and eight
annual report

Corporate Information

This annual report covers both Bondi Mining Limited (ABN 21 120 723 426) as an individual entity and the consolidated entity comprising Bondi Mining Limited and its subsidiary. The Group's functional and presentation currency is AUD $. The prior year comparatives of this financial report are for the period from incorporation 13 July 2006 to 30 June 2007.

A description of the Group's operations and principal activities is included in the review of operations and activities in the directors' report.

Directors

Simon O'Loughlin (Chairman)
Dr Richard Valenta (Managing Director)
Creagh O'Connor
Simon Taylor
Mark Dugmore

Company Secretary

Pierre Van Der Merwe

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Principal place of business

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Share Registry

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Legal Advisors

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Bankers

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ASX Code: BOM

Bondi Mining Limited ABN 21 120 723 426

Annual Report for the year ended 30 June 2008

Contents to Annual Report

Chairman's Letter

Dear Shareholder,

This has been an extremely busy year for Bondi, as the company delivered on its promise to drill test many of its projects, with some notable successes. As you are no doubt aware, the 2008 financial year has also presented some significant challenges to the junior exploration sector.

In its first full year as a focused uranium explorer, Bondi completed the required exploration commitments on its listing properties early in the year and then concentrated on the advancement of its uranium properties.

During the year, the spot price of uranium declined significantly, and that, along with the uncertainty of the current financial sector, has led to a decline in the share price of almost all junior uranium explorers. Despite this, there is a strong consensus that the fundamentals of the uranium market will remain strong for many years to come, and the directors remain convinced that a continued focus on uranium is the best strategy for the company.

Whilst the current market conditions present challenges, there are also many opportunities opening up due to the increased availability of high quality exploration ground for groups like Bondi who have the technical and operational capabilities to identify these opportunities and acquire them at low cost. The company is also adapting its objectives and strategies in order to take advantage of current conditions, with an increased emphasis on sourcing alternative sources of funding for its key projects and a focus on the identification of high quality exploration opportunities which can be acquired at a relatively low cost.

Over last 12 months, Bondi has completed drill programs at Dunmore and Tomingley in New South Wales, Mt Hogan and North Maureen in Queensland, and Murphy in the Northern Territory, along with high resolution airborne geophysical surveys at Murphy, North Maureen, and Mt Hogan. We have made significant advances on all of our projects, with highlights including the drill identification of a Westmoreland-style minerlised system at the Murphy project, and successful extension of high grade uranium mineralisation at Mount Hogan.

During the year, the company also recognised the significant phosphate potential of its Murphy project, and, subsequent to year end, brought in a joint venture partner to fund the planned phosphate exploration program.

The company has carried out all these programs with a strong performance in the areas of safety, environment and community relations, including particular emphasis on the development of strong relationships with our indigenous stakeholders.

In the coming 12 months we will continue to advance our existing projects toward discovery, and will rely on our experienced management and board to adapt and take full advantage of present conditions.

I would like to thank our shareholders for their support of the company, and assure them that the company is working diligently toward creation of value, based around our stated objectives of exploration and discovery. I would also like to thank all our employees, contractors and consultants for their hard work over the course of the year.

Yours Sincerely,

Simon O'Loughlin
Chairman

Operations Review

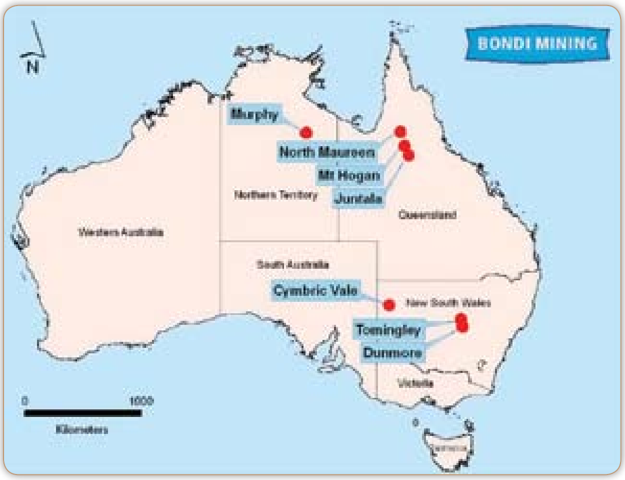

Figure 1. Project Locations

In the 2008 Financial Year, Bondi advanced three of its uranium projects to drill stage and subsequently carried out successful drill programs. These programs achieved a number of significant results:

- Exploration at the Murphy Project in the Northern Territory resulted in the discovery of an unconformity-style mineralised system, marking the transition of the Murphy property from an early stage conceptual program to an area with solid demonstration of the validity of the exploration model.
- At Mount Hogan, second pass drilling clearly demonstrated extensions to known high grade uranium mineralisation, as well as identifying new mineralised zones in previously undrilled target areas.
- Analysis by the company revealed significant Phosphate potential on the Murphy tenement area, and a JV partner was brought in to advance phosphate exploration subsequent to year end.
- Drilling at North Maureen demonstrated the validity of the geological model, though uranium results from the first pass of targets were subdued

At the beginning of 2007, Bondi had joint venture interests in a portfolio of copper-gold, gold and nickel tenements in the Lachlan Fold Belt and eastern margin of the Curnamona Craton in central and western New South Wales respectively. During the financial year, these projects were drill-tested. The results, while encouraging, were not sufficient to justify further work by Bondi and the properties were returned to the underlying owners.

The company announced on 14 May 2007 a letter of intent with Buffalo Gold Ltd (BUF.U TSX-V) to acquire 100% of its Australian uranium portfolio, which was made up of 20 granted tenements and 3 applications totaling 15,085km^2 in three major uranium provinces in the Northern Territory and Queensland. Final shareholder approval for the transaction was received on the 12th of November, 2007.

The company's strategy going forward is to concentrate on uranium exploration and discovery, advancing its current portfolio and seeking new high quality opportunities.

Murphy Project

(Bondi 100%)

The Murphy Project is a key tenement holding which straddles the same unconformity that hosts the large and high grade unconformity uranium deposits of the East Alligator Uranium Field. A number of target zones have been identified based on geology, airborne magnetic, radiometrics and electromagnetics. These were brought to drill stage during 2007 and scout drilling was initiated in the second quarter of 2008.

The Murphy project is highly prospective for high grade unconformity uranium mineralization. The Murphy project lies along strike from the Westmoreland uranium deposits of Laramide resources, and is located along the Murphy Tectonic Ridge, which is the southern mirror image of the Alligator Rivers Uranium Field. It is in an area where the shallowly-dipping mid-Proterozoic unconformity that is associated with large deposits like Jabiluka and Ranger lies under thin sand cover. Regional geophysical datasets show that the area has abundant faulting and dolerite dykes of a style similar to that which hosts mineralization further to the north.

The key mid-Proterozoic unconformity, equivalent to the Kombolgie unconformity in the Alligator Rivers Region, lies under the Westmoreland Conglomerate. Approximately 100 kilometres of this unconformity occurs within the Murphy Tenement package. The oldest rocks below the unconformity are the Murphy Metamorphics, a sequence of variably-carbonaceous metasediments and quartzite. To the east of the area these are overlain by the felsic Cliffdale Volcanics and intruded by Nicholson Granite.

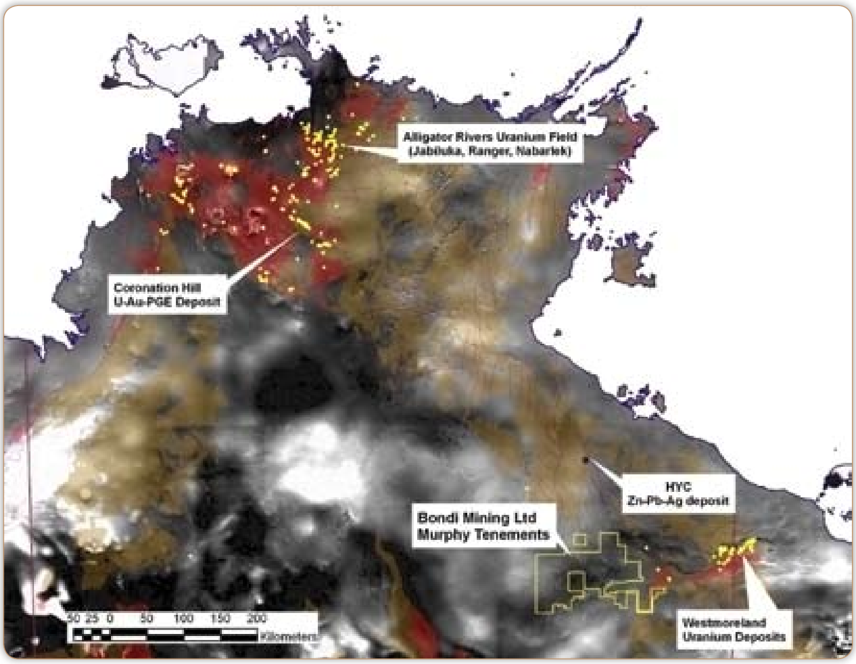

Figure 2. Regional setting of Murphy Tenements

Uranium mineralisation has been recognised in the Murphy Inlier region in numerous structural and stratigraphic positions. These include: 1. associated with faults and fractures in Murphy Metamorphics; 2. in shear zones in the Cliffdale Volcanics near the Westmoreland Conglomerate unconformity; 3. at the reverse-faulted contact between Cliffdale Volcanics and Westmoreland Conglomerate; 4. within Westmoreland Conglomerate about 50m above its base; 5. in Westmoreland Conglomerate in close proximity to the overlying Seigal Volcanics; 6. in association with mafic dykes and sills; and, 7. in shear zones within the Seigal Volcanics.

The most significant of these occurrences are the Westmoreland deposits on the Queensland side of the NT-Qld border. Uranium mineralisation at Westmoreland occurs in stratabound bodies close to the upper contact of the Westmoreland Conglomerate with the Seigal Volcanics and in dyke filled fault zones. Areas where the Westmoreland conglomerate has been faulted and possibly intruded by dykes represent potential target zones, particularly adjacent to the lower contact of the Seigal Volcanics.

During the 1970's uranium exploration was undertaken in the region by a number of companies including Esso Australia, Noranda, Union Oil and Otter. Work included airborne radiometric surveys, ground follow up and rock chip sampling, and groundwater sampling from existing water bores. Limited percussion and diamond drilling of specific radiometric anomalies and shallow reconnaissance drilling along tracks was also undertaken. Four reconnaissance holes were drilled on and adjacent to the south western part of the current EL24694. No significant results were reported. The majority of exploration work undertaken in this period occurred to the east and north of the Bondi tenement holding.

Geophysical and geological datasets were assessed by Buffalo Gold Ltd in 2006 to identify potential target areas. Targeting was focused on identifying favourable stratigraphic positions in the Westmoreland Conglomerate, such as its contact with the Seigal Volcanics and favourable structural settings associated with NW and NE extensional faulting. A HOISTEM survey was undertaken over part of EL24841 and EL24694. The objective of the survey was to identify basement conductors which may indicate reduced carbonaceous lithologies. Magnetic data was also collected. The HOISTEM survey indicated the presence of basement conductors. A total of 12 target areas were identified for follow up based on the work undertaken by Haynes Discovery Pty Ltd and a further 9 EM targets were identified that were considered worthy of further investigation.

Fugro commenced the magnetic and radiometric survey in mid September of 2007. The survey, comprising 26,000 line kilometres, flown at a height of 60m with N - S lines spaced at 100m, was very useful in defining the structure and stratigraphy of the underlying basement rocks, and was helpful in targeting likely sites for uranium mineralization in conjunction with the Radon Track Etch data.

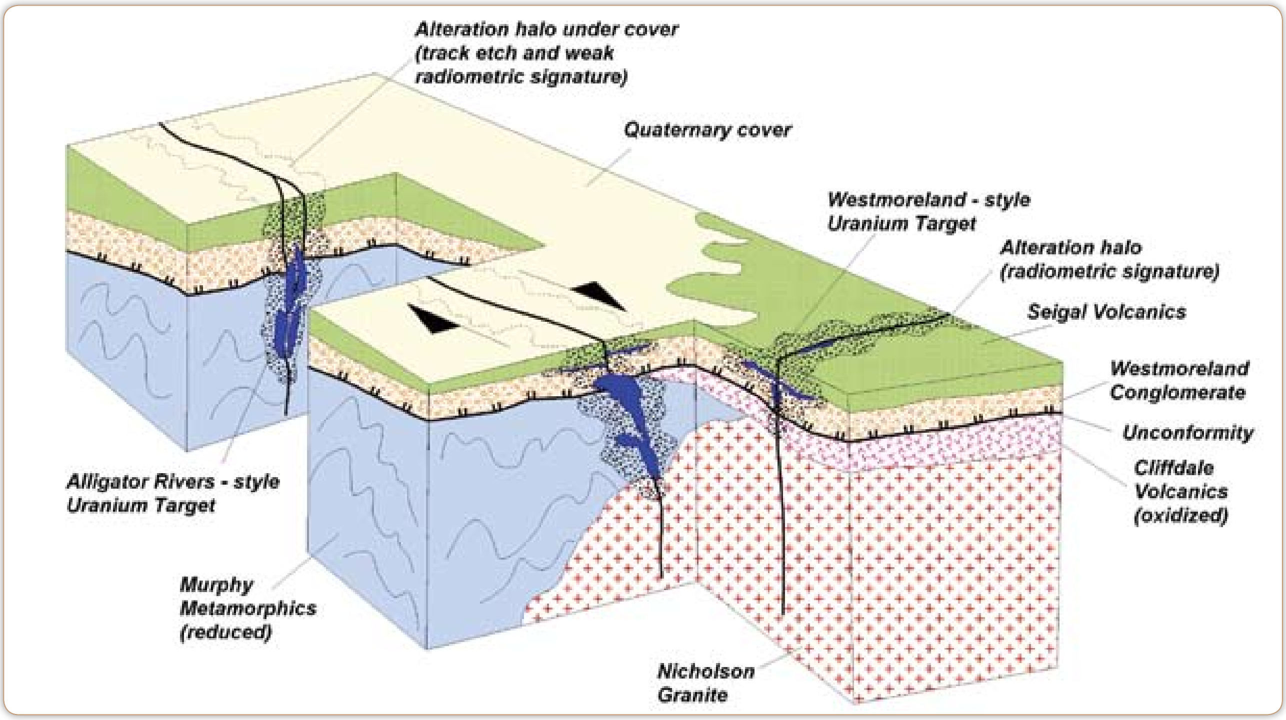

Figure 3. Block diagram illustrating the mode of occurrence of Uranium in the Murphy region

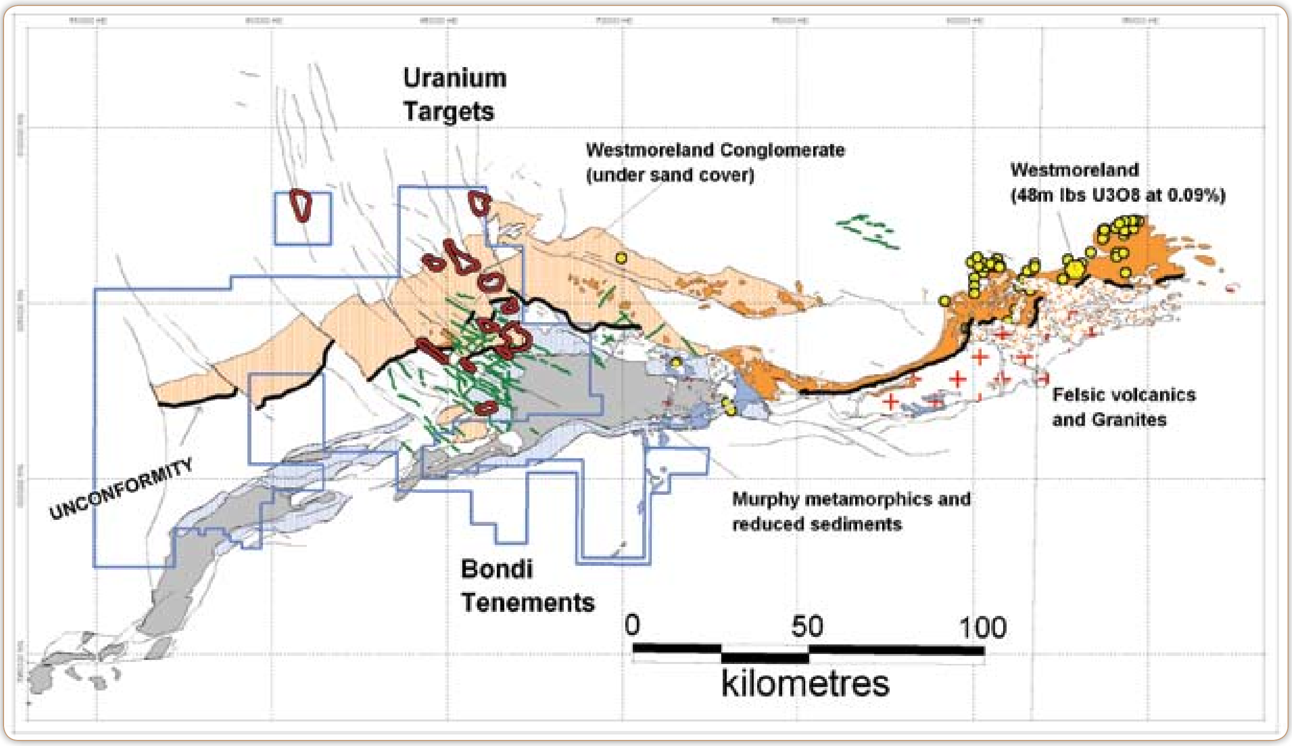

Figure 4. Murphy Project area geology and targets

Track etch sampling was conducted over almost all the targets from August 2007 to present. Radon track etch sampling has been previously shown to have successfully detected the Koongarra uranium deposit under 75 metres of cover. The cups were placed over the target zones at 200m spacing along the lines, with lines spaced at 400 to 800m apart (more commonly 800m).

Track Etch surveys in the southern part of the Murphy project area highlighted at least 9 discrete target zones where faults and favorable stratigraphy are associated with radon leakage which could potentially be related to a buried uranium orebody. One of the strongest of these lies at the northwest end of the UC19 target area, where a 2km-long track etch anomaly is coincident with a bend in a northwest trending structure and the trace of sandstones of the Westmoreland group.

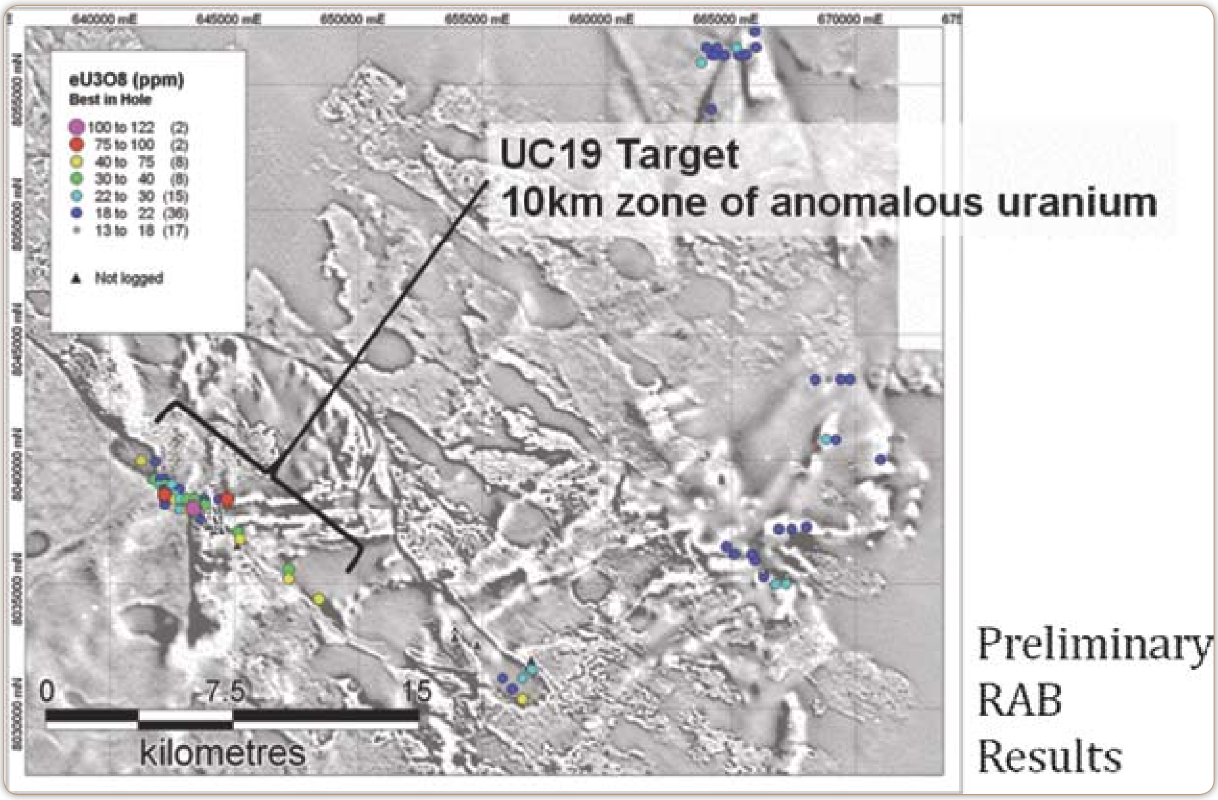

Figure 5. Murphy project, best-in-hole borehole logging results from the RAB drilling completed during the quarter

Track Etch surveys in the northern part of the Murphy project area highlighted at least 8 discrete target zones where faults and favorable stratigraphy are associated with radon leakage which could potentially be related to a buried uranium orebody. A number of these targets occur in zones where Westmoreland Group Sandstones are interpreted to overlie Peters Creek Volcanics where the track etch anomalies are coincident with northwest and north-northwest trending faults.

Drilling targeted two main zones – the Westmoreland Conglomerate immediately under the Siegal Volcanics (Westmoreland Style) and the reduced Murphy Metamorphic basement immediately under the base of the Westmoreland Conglomerate (East Alligator Style).

A total of 168 holes for approximately 9000 m of RAB / aircore were drilled between May to August 2008. The first phase of the drilling comprised 138 holes. The second phase of the drilling comprised 30 drill holes, most of which were drilled into target UC19 due to anomalous radiometrics and geochemistry from the phase 1 drilling.

All the targets which were drilled conform with the model for unconformity uranium mineralisation of the type seen in the East Alligator region (e.g. Jabiluka - 360 million lbs at 0.45% U3O8) or of the type seen in the Westmoreland region (e.g. Westmoreland – 48 million lbs at 0.09% U3O8) in Queensland. The targets all lie under a thin veneer of recent cover and were therefore never prospected in the last uranium boom, despite the fact that they display all the correct geological ingredients for this style of mineralisation.

Of the targets tested, the UC19 target produced the most encouraging results. UC19 was originally identified as a high priority geological target and was then upgraded substantially by returning the highest track etch survey results. Wireline logging of RAB drillholes in the UC19 area produced a number of anomalous equivalent U3O8 intersections, including:

These are extremely anomalous values compared to the very low (less than 10ppm) background uranium concentration of the Westmoreland Sandstone. Anomalous values occur sporadically over a 10km strike length.

Drill chips from all drillholes were also analysed for clay mineral species using the Hychip infrared spectroscopy system. This work identified a distinctive illite signature associated with the UC19 target area. Such signatures are common in unconformity-related uranium deposits such as Jabiluka (NT), Cigar Lake and McArthur River (Saskatchewan, Canada).

Regional track etch sampling continued into the 2009 financial year, and additional scout drilling is planned to follow up anomalies arising from that program. In addition, a deeper RC-diamond drilling program is proposed to test the target identified at UC19.

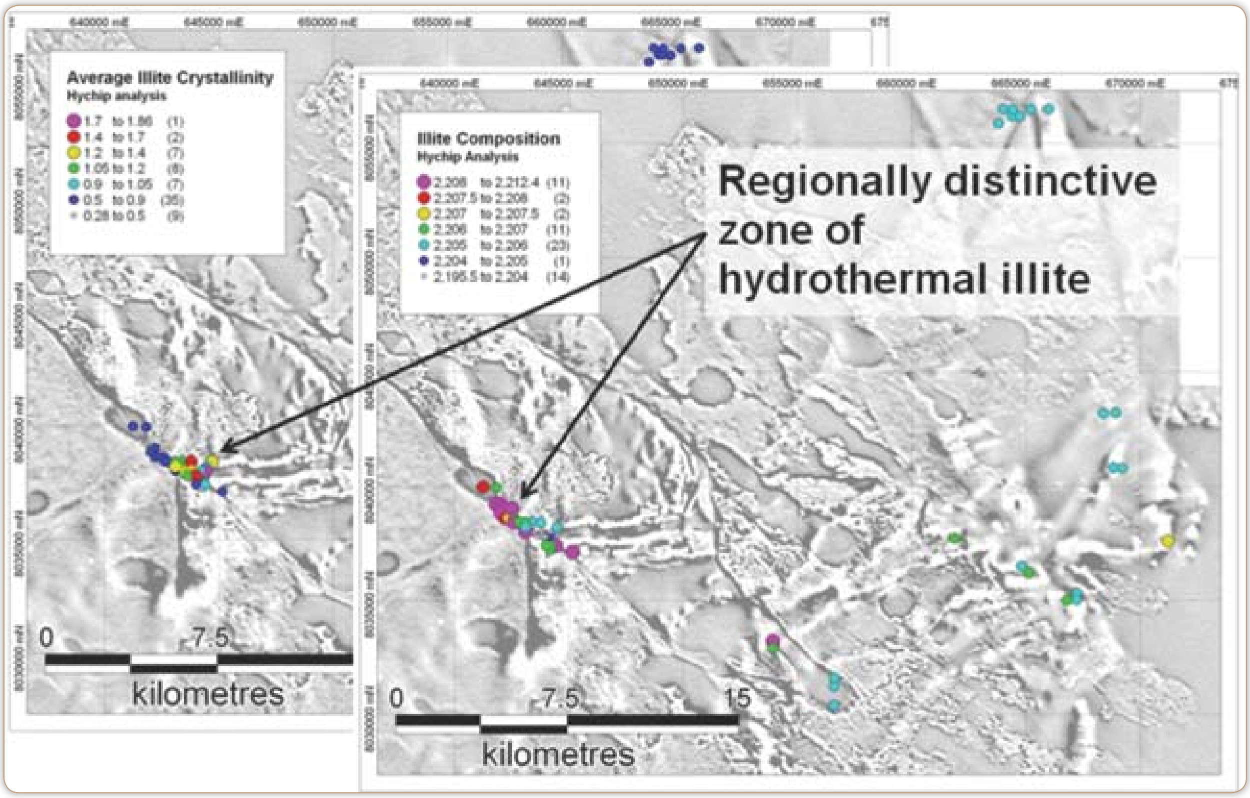

Figure 6. Hychip logging results – illite crystallinity and illite composition, showing distictive alteration around UC19.

North Maureen Project

(Bondi 100%)

The North Maureen Project and Juntala Projects occur within the Georgetown Block, Queensland. Numerous significant uranium occurrences are present within the Georgetown Block, including the Maureen uranium deposit (owned by Mega Uranium) which is located approximately 10km to the south of the North Maureen Project area. The target in the North Maureen Project is a large uranium-molybdenum deposit similar to the Maureen deposit, in which uranium mineralisation occurs as fault-hosted and stratabound zones immediately above an unconformity between Proterozoic metasediments and overlying Permo-Carboniferous sediments, volcanics and broadly synchronous felsic intrusives.

The North Maureen Project in Queensland is a large 3,300km^2 package of 10 granted tenements. The tenement package contains 18 untested targets under thin cover which show similar characteristics to the Maureen deposit.

The geology of the area is characterised by Proterozoic metasediments and granites which have been overprinted by late Paleozoic granites and associated volcanic rocks and sediments which occur in semi-circular “cauldrons”. The majority of the North Maureen tenements are covered by a thin veneer of Mesozoic sandstones of the Gilbert River Formation, though there are widespread small outcrops of the underlying sequence, indicating that the cover is not thick.

As most of the area is thinly covered by Mesozoic sediments, it is necessary to use magnetic data in order to infer the nature of the underlying geology. In the magnetics, it can be seen that the area contains a number of semi-circular “cauldron” features relating to Permo-Carboniferous complexes of granites, volcanics and sediments. These are cut by a series of northwest and northeast-trending fault zones.

Whilst at least seventeen companies have carried out uranium exploration in the region, almost all of the work has been confined to the pursuit of outcropping targets. Notable successes in the area include the discovery of Maureen by Central Coast Exploration in 1971, and the discovery of Trident and Two Gee prospects by Pechiney Australia Exploration Pty Ltd.

In 2006 a program of work was carried out by Buffalo Gold Ltd consisting of data compilation and review along with interpretation of regional geophysical and geological datasets to formulate a targeting strategy for the area. As a result of this work a number of uranium targets were generated. The basis for target generation was the identification of potential redox boundary sites where the Gilberton Formation is interpreted to occur, along with favourably-oriented faults which are likely to have focused mineralisation.

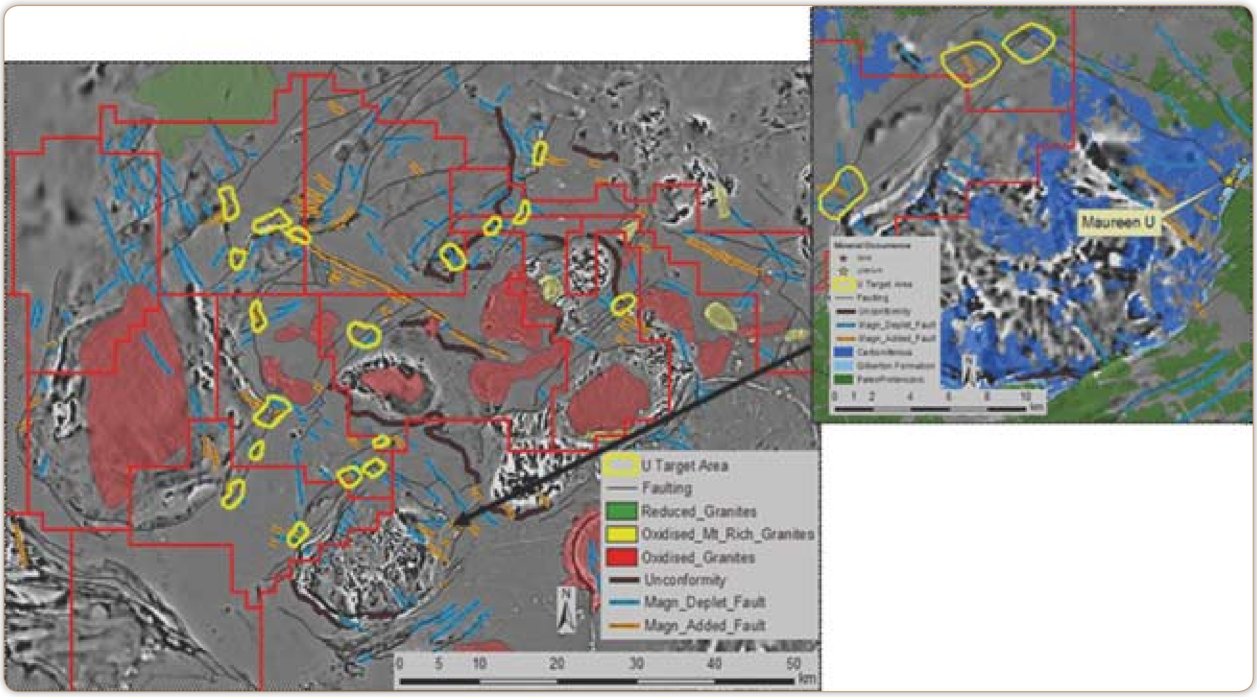

Figure 7. Targets derived from interpretation of magnetic data – North Maureen project

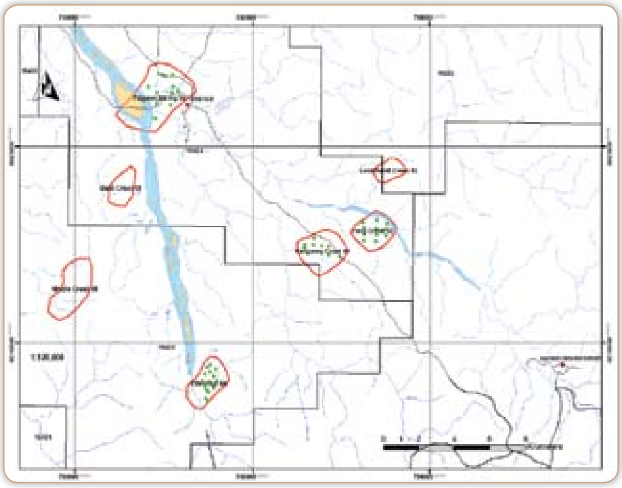

Figure 8. Southern portion of North Maureen target – targets and RC drillholes.

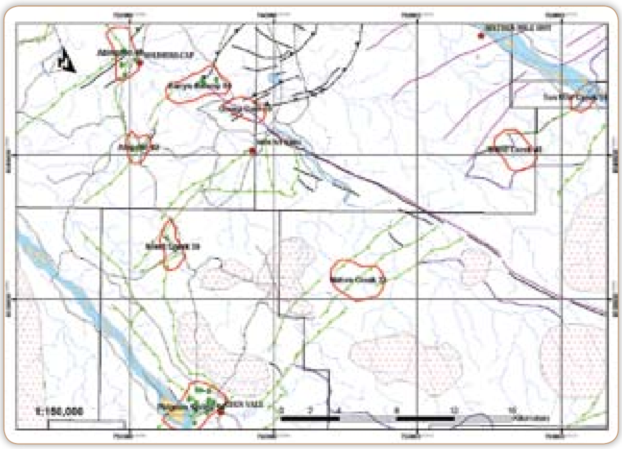

Figure 9. Northern portion of North Maureen target – targets and RC drillholes.

Fugro Airborne Surveys commenced an airborne magnetic and radiometric survey over the core target area of the North Maureen tenement in late October of 2007. The survey which comprised 21,300 line kilometres was flown at a height of 60m with E - W lines spaced at 100m. The purpose of the survey was to better define the structure and stratigraphy of the underlying basement rocks to help target likely sites for uranium mineralization. The survey was completed in early November 2007 and a geophysical interpretation was subsequently carried out.

An RC drilling program commenced at North Maureen on 19th May 2007 and 56 holes for a total of 3957m were drilled during the quarter. The aim of the drilling was to test conceptual targets for unconformity hosted uranium mineralization at or near the contact between the Permo – Carboniferous aged Gilberton Formation silicilastics and the Proterozoic schists of the Lane Ck formation.

Drilling intersected the expected sedimentary cover sequence, followed by Permo-Carboniferous volcanics and/or granites, and in some cases Proterozoic basement schists. Elevated scintillometer values were encountered in some drillholes.

The program was completed in early July and the assay results and downhole gamma log data will be reported in the 2009 financial year. Additional field investigations including track etch sampling, partial extraction geochemistry and possibly airborne electromagnetics are planned for the 2009 financial year.

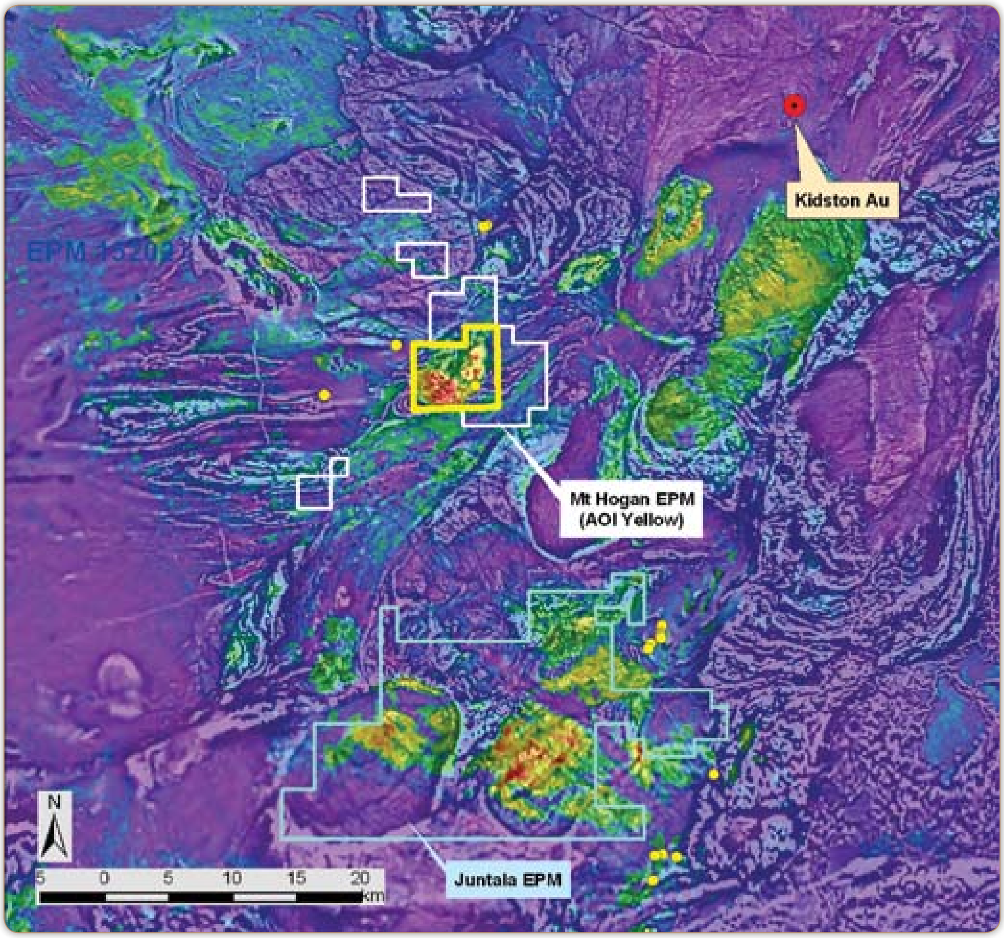

Figure 10. Colour image of Uranium channel radiometrics over magnetics. Yellow dots represent known uranium occurrences. Juntala shown in blue; Mt Hogan area of Interest shown in yellow.

Juntala Project

(Bondi 100%)

The Juntala project occurs in an area where Lower Proterozoic Einasleigh Metamorphics are intruded by uranium-enriched Carboniferous granites. At the southern end of the area this package is overlain in turn by Jurassic sandstones. The Carboniferous granites are a clear potential source of uranium, and there are potential traps in both the reduced metasediments of the Einasleigh Metamorphics and in the overlying Jurassic sandstones. Both of these potential plays are to be evaluated with further exploration.

The two main target types in this area are vein-style orebodies in reduced metasediments around the uranium-enriched granites, and unconformity or sandstone hosted mineralisation in overlying Jurassic sediments at the southern end of the area. The project is held in a single tenement with an area of 677.8 km^2. The Juntala application was granted on the 22nd of January 2008.

The Juntala Project is located within the Georgetown region. The geology of the area is characterised by Proterozoic metasediments and granites which have been overprinted by late Paleozoic granites and associated volcanic rocks and sediments which occur in semi-circular “cauldrons”. This package is unconformably overlain by a younger sequence of shallowly-dipping Jurassic and younger sediments.

The Juntala area contains two Carboniferous uranium-rich granites which have intruded the Lower Proterozoic Einasleigh Metamorphics. The Einasleigh Metamorphics in this area are mica schists including graphitic schists and metadolerite and metagabbro. At the south end of the area this sequence is unconformably overlain by quartz sandstones and siltstones of the Jurassic Eulo Queen Group and sandstones and conglomerates of the Jurassic-Cretaceous Gilbert River Group.

The region around Juntala was a strong focus of uranium exploration between 1969 and 1983, with programs carried out by over 20 separate companies. Almost all of this work was focused outside the current Juntala tenement area. As part of this work, a number of promising surface occurrences were

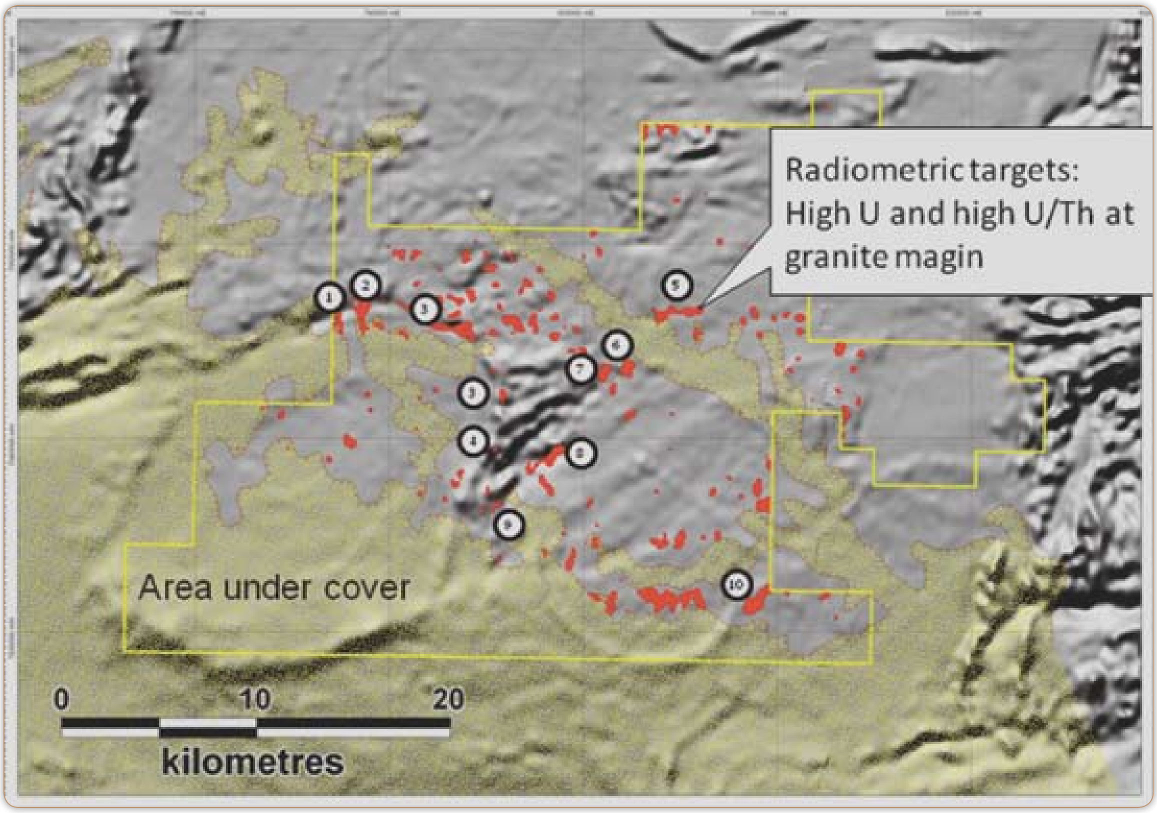

Figure 11. Juntala Project – Areas of high uranium-thorium ratio in radiometrics shown in red; Jurassic cover shown in yellow; background is northwest-shaded magnetics. Numbered circles represent target areas for followup.

found through airborne radiometric surveying and ground-based follow-up. Drilling in the area focused on vein and breccia-style occurrences in the Proterozoic metasedimentary sequence and on sandstone-hosted mineralisation in the Jurassic-Cretaceous sedimentary sequences. Several programs were ongoing when uranium exploration ceased in the early 1980's.

Processing of government radiometric data shows a number of zones with both high uranium and high uranium-thorium ratio in the Juntala area, near the contact with the carboniferous granites. These anomalies are potential targets for vein-style mineralisation similar to that developed at Mt Hogan. The uranium anomalies already identified will be followed up with ground reconnaissance and sampling in the 2009 financial year. In addition, field-based reconnaissance will be carried out in order to investigate the potential of the Jurassic-Cretaceous sedimentary sequence to host sandstone and unconformity-style mineralisation.

Mt Hogan Project

(Uranium rights Bondi 100%)

Bondi holds the rights to uranium-only mineralisation in an area of interest within Newcrest Operations Limited's Mount Hogan EPM. The target in this area is uranium mineralisation developed in veins and breccias occurring within deformed sediments and metadolerites of the Einasleigh Metamorphics, near the contact with the uranium-enriched Mount Hogan granite.

The Mt Hogan Project is located within the Georgetown region. The geology of the area is characterised by Proterozoic metasediments and granites which have been overprinted by late Paleozoic granites and associated volcanic rocks and sediments which occur in semi-circular "cauldrons". This package is unconformably overlain by a younger sequence of shallowly-dipping Jurassic and younger sediments. In the Mt Hogan area, the uranium-rich Proterozoic Mt Hogan Granite intrudes a folded sequence of Einasleigh Metamorphics and associated sill-like metadolerite bodies.

The uranium rights have been acquired through a Concurrent Rights Deed between Newcrest Operations Ltd and Murphy Uranium, a wholly-owned subsidiary of Bondi Mining Ltd. Under the terms of the deal Bondi will acquire 100% ownership of any uranium-only deposits delineated and, upon the decision to mine, Newcrest will receive a 2.5% gross product royalty on all uranium produced from the area of interest including a AUD$500,000 royalty pre-payment on the decision to mine.

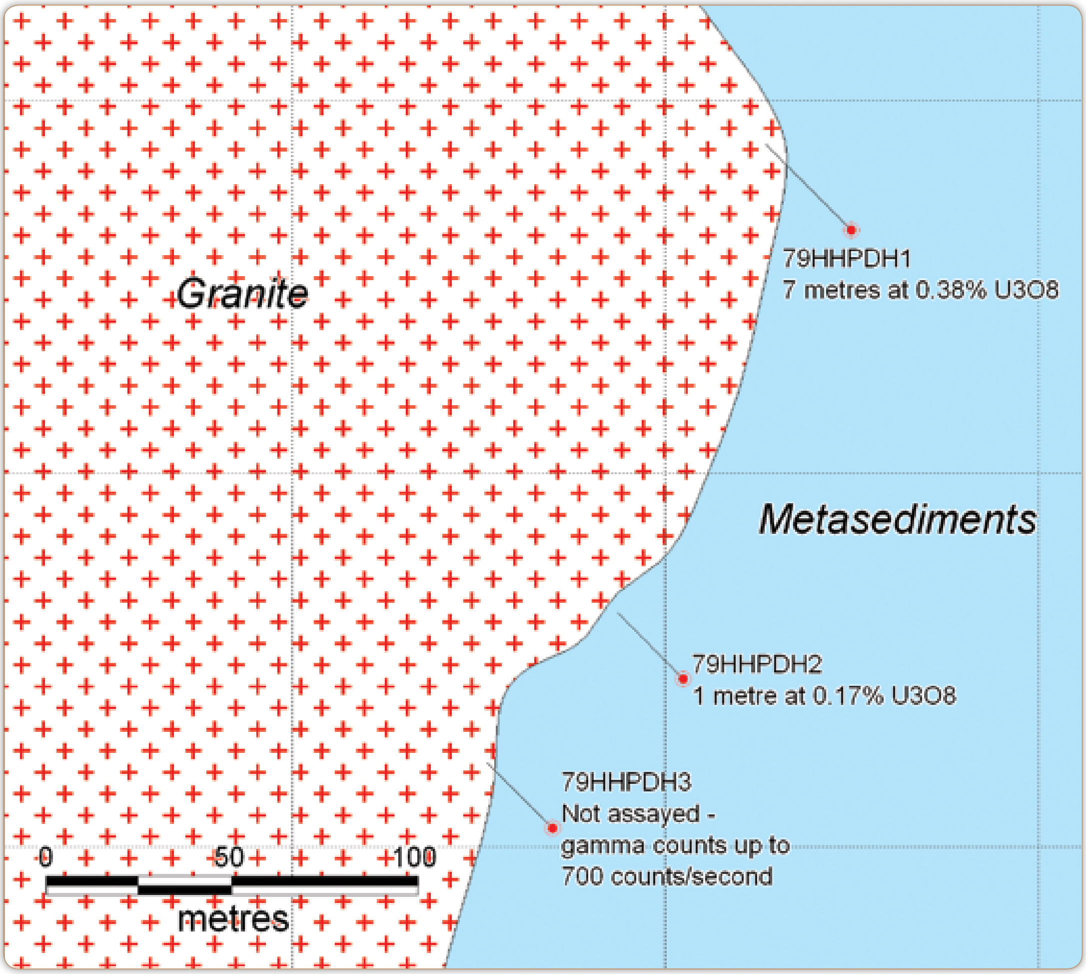

Figure 12. Location of Percussion Drillholes from CRA Open File data. Percussion Hole 79 HH PDH 4 is located off the map, 620 metres to the southwest of 79 HH PDH 3

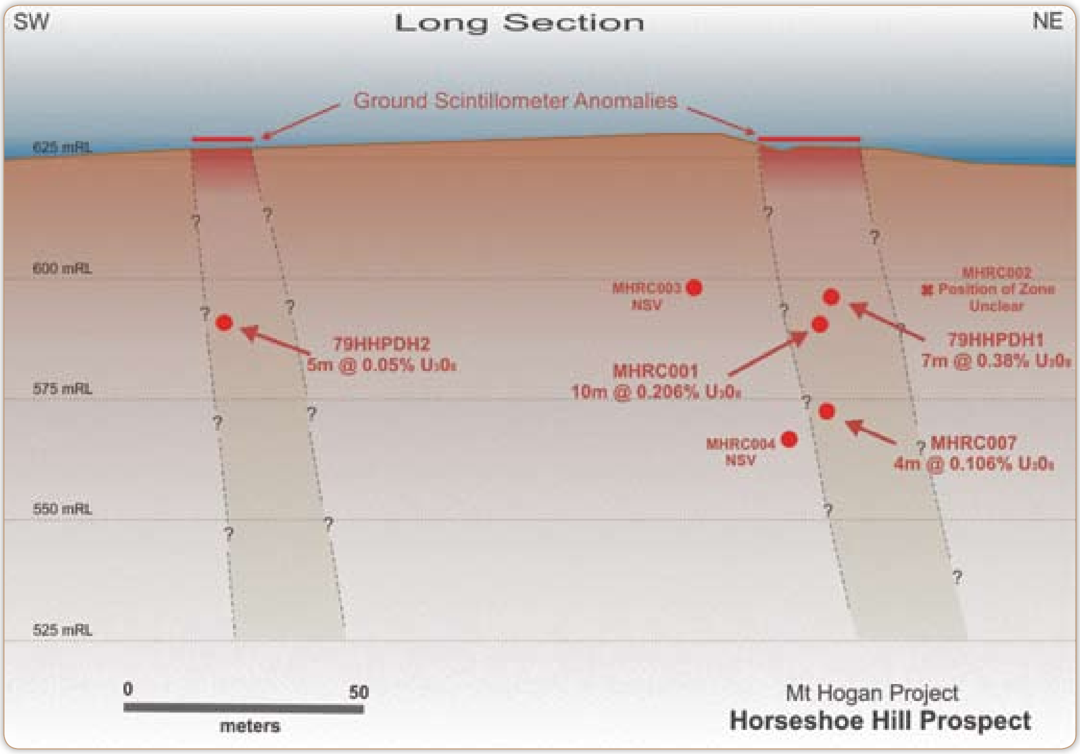

Figure 13. Longitudinal section looking northwest (see figure 2 for location) showing pierce points and composite results for the Horseshoe Hill prospect, along with the interpreted traces of plunging mineralised zones. ("NSV" signifies no significant values). Holes with the prefix "79" were drilled by a previous operator.

Limited drilling of soil and radiometric anomalies by CRA Ltd in the late 1970's produced best results of: (i) 7 metres at 0.38% U3O8 in percussion drillhole 79 HH PDH-1, including 1 metre at 1.2% U3O8; and (ii) 1 metre at 0.17% U3O8 in percussion drillhole 79 HH PDH-2, within a broader interval of 5 metres at 0.05% U3O8 starting at a depth of 37 metres.

Hole 79 HH PD-1 was completely open downdip and to the north, and is located 130m away from mineralised hole 79 HH PDH-2 to the southwest, as part of a regionally extensive granite contact zone which has only been tested by four percussion holes over a strike length of at least 5 kilometres containing multiple radiometric and soil anomalies. Host rocks to the high grade uranium mineralisation are chloritic and pyritic metasediments and silicified pyritic shale adjacent to a high-background radioactive granite. Soil samples taken by CRA over the granite ranged up to 0.13% U3O8. Assay values reported are based on uranium and gold assay results reported by CRA ltd in open file report CR7591. No detail was provided in this report on assay method or quality assurance/quality control procedures, though drill logs clearly indicate that the uranium results are assay results as opposed to equivalent U3O8 calculations.

At the Mount Hogan project, Bondi Mining completed an 11 hole, 986 metre reverse circulation drill program testing three separate targets with airborne and ground radiometric anomalism, surface rockchip sample values of up to 0.13% U3O8 and a best drill intersection of 7 metres at 0.38% U3O8. The aim of the program was to test for the plunge continuation of the existing high grade zone and to investigate the bulk tonnage potential for the two surface zones of uranium mineralisation within the Mount Hogan granite.

Drilling focused on two main areas – Horseshoe Hill and the Mount Hogan South. The granite pluton in the Mount Hogan South area had not previously been drilled for uranium, though it showed strong uranium anomalism in a very similar geological setting to the Horseshoe Hill granite area. A recent high resolution airborne survey highlighted the presence of strong targets in both areas.

At Horseshoe Hill, percussion drilling by a previous operator intersected a zone of high grade uranium mineralisation in chloritic and pyritic metasediments and silicified pyritic shale adjacent to the uranium-enriched Mount Hogan granite. The five RC holes drilled by Bondi Mining in this area demonstrated that the previously-drilled high grade zone continues at depth and shows a steep, slightly northward pitch. The zone remains open at depth.

The Mount Hogan South area contains a previously untested target with strong airborne uranium anomalism associated with another NNW-trending zone of faulting and alteration very similar to the zone of known mineralisation in the granite pluton at Horseshoe Hill. Four holes were drilled into this zone and showed the existence of a broad zone of anomalous uranium of up to 16 metres width over a strike length of 200 metres.

The company is currently formulating plans for further work at Mount Hogan in the 2009 financial year.

Murphy Phosphate Project

(Bondi 100%)

During the 2008 financial year, the company initiated a phosphate exploration program on the Murphy Project in the Northern Territory. The Murphy Project covers approximately 2650 square kilometres of the Phosphorite Facies rocks of the Georgina Basin, the same sequence that hosts the Wonarah (Minemakers Limited – 72Mt @ 23% P2O5[1]) and Highland Plains (Phosphate Australia -82.6Mt @ 20% P2O5[2]) phosphate deposits in the Northern Territory along with Phosphate Hill (Incitec Pivot -127Mt @ 23.3% P2O5[3]) and D-tree (Legend International -450Mt @ 15.9% P2O5[4]) in Queensland.

While there has been little direct exploration for phosphate within the Murphy tenement area, rockchips from waterbores tested by the Northern Territory Geological Survey in 1984 returned strong indications of phosphate within phosphorite facies rocks near the tenement boundary. Subsequent to year end, the company began follow up of these encouraging results with its own investigations within the Murphy tenement area.

A literature search of open file historical data and a review of the analysis results from the recent drilling programme at the Bondi tenements comprising the Murphy Project has shown that Phosphorite mineralisation may be present in what is suspected to be sub-cropping Phanerozoic sediments of the lower to upper Cambrian Epoch at the. Elsewhere, specific units of this epoch comprise the Georgina Basin in the region which has hosted economic phosphate orebodies.

Subsequent to year end, an option deal was concluded with WCP Resources Ltd to carry out a reconnaissance drill program targeting phosphate within the Murphy tenement package

1 Reference - Minemakers ASX Release 10 June 2008 - JORC Resource
2 Reference - Phosphate Australia Ltd Prospectus 2008 - Non JORC Resource
3 Reference - Phosphate Australia Ltd Prospectus 2008 - page 37
4 Reference - Legend International Presentation May 2008 - non JORC Resource

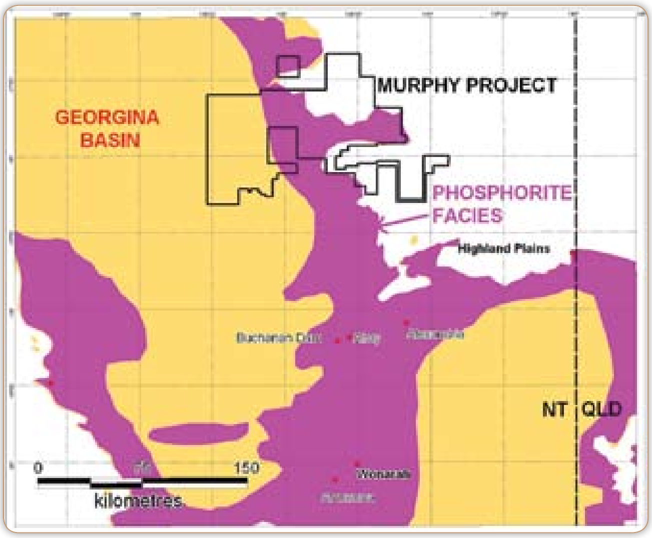

Figure 14. Distribution of Georgina Basin, Phosphorite Facies sequences and Phosphate occurrences near the Murphy Project

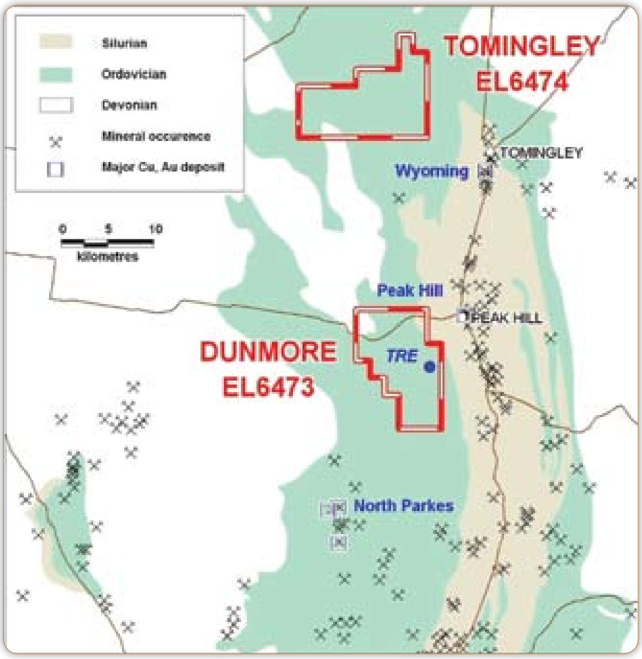

Figure 15. Location of Dunmore and Tomingley Tenements

Dunmore/Tomingley Project

(Platsearch 90%, Roberts Consulting 10%, Bondi can earn 60%)

The Dunmore and Tomingley Projects are located in NSW, approximately 400km West of Sydney, near the townships of Peak Hill and Tomingley, respectively. The projects cover 192 square kilometres and are strategically situated in a belt which hosts significant gold-copper and gold porphyry deposits including North Parkes, Cowal, Wyoming, and Peak Hill. Since 1977 mineral resources totaling 7.8 million ounces of gold have been discovered.

Pervasive soil cover across the tenements has inhibited previous exploration. On the Dunmore tenement, a number of targets were identified which displayed a combination of favourable magnetic signatures and encouragement from previous drilling. In addition, the more detailed magnetic survey clarified the geology of the TRE prospect, a 2000m by 750m zone of gold mineralization and quartz-sericite alteration. A number of new targets and possible extensions to the system were identified and tested as part of a drill program which concluded in October 2007.

The Tomingley tenement lies across a major northwest-trending break in the regional government gravity and magnetic datasets. All of the major deposits in the region, including North Parkes, Cadia/Ridgway, Lake Cowal and Marsden, lie on similar orogen-oblique features. Detailed magnetic data in Bondi's Tomingley tenement highlighted the potential existence of a number of intrusive bodies within this corridor. There had been no previous drilling on these targets, and the area was tested by a 400 metre by 400 metre grid of shallow aircore holes. A number of other discrete magnetic targets were also tested on the Tomingley tenement.

All assays were received for the Dunmore and Tomingley projects in the December Quarter of 2007. A number of encouraging results were returned from both the Dunmore and Tomingley programs, including halo-style intersections on new targets which had never before been drilled.

At Tomingley, a widely-spaced grid was drilled designed to test a target zone defined by a major northwest-trending break in the regional government gravity and magnetic datasets, similar to the orogen-oblique features which host all of the major deposits in the region, including North Parkes, Cadia/Ridgeway, Lake Cowal and Marsden. The drilling returned best-in-hole results of 446 ppm Cu from a 4 metre composite in hole TOL25, and 0.36 g/T Au from a 4 metre composite in hole TOL17.

At Dunmore, aircore drilling at target D02, a newly identified magnetic target, returned best results of 4m at 1230 ppm Cu and 0.22 g/t gold from the top of the hole in D02-03. At target D08, a circular magnetic high with flanking low, a maximum value of 475 ppm Cu was intersected from a 4 metre composite in hole D08-01 at a depth of 64 metres. A number of significant intersections were returned from drilling designed to test extensions of the TRE prospect, a 2000m by 750m zone of gold mineralization and quartz-sericite alteration. The best previous results from this zone include 5 metres at 5 g/t gold in drillhole RP4 and 1 metre at 12.9 g/t gold in drillhole RP10. New drill results from this area include up to 611 ppm Cu from

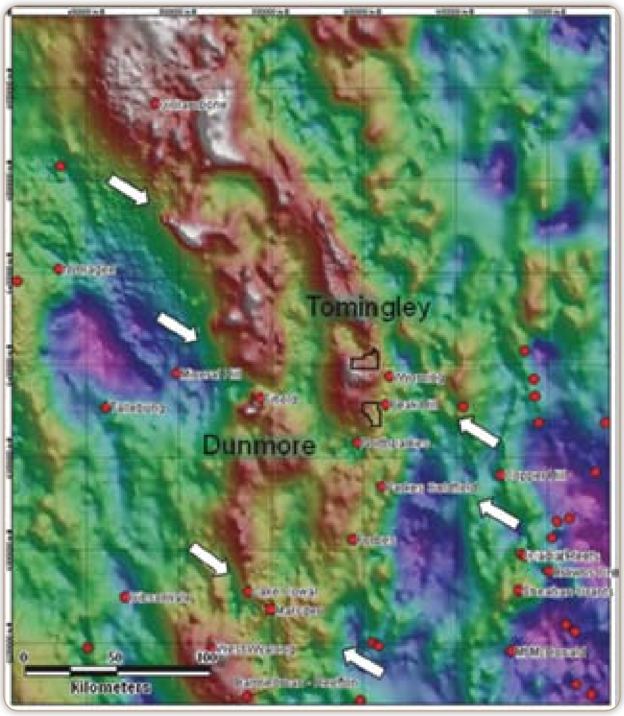

Figure 16. Regional Setting of Dunmore and Tomingley Projects relative to regional gravity

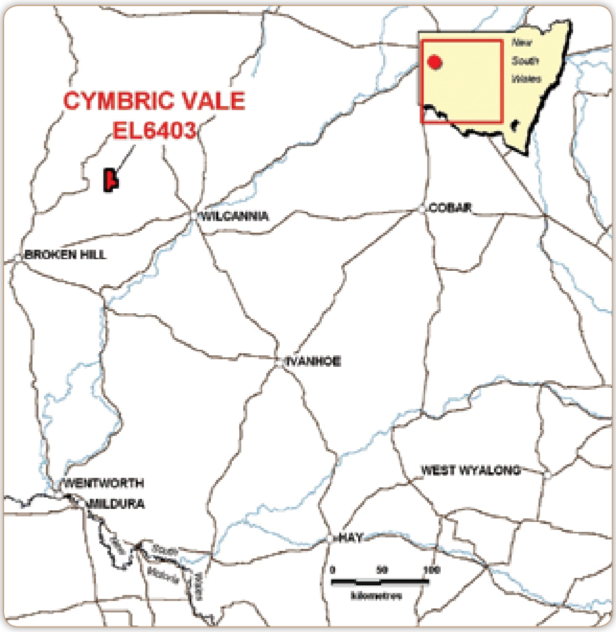

Figure 17. Location of Cymbric Vale Tenements

a 4 metre composite in hole TR029 at a depth of 32 metres, and up to 1m at 0.81 g/t gold from hole TR034 at a depth of 43 metres.

Although the results from the drill program were somewhat encouraging, the decision was taken in the June Quarter to withdraw from the option deal on the Dunmore and Tomingley projects.

Cymbric Vale Project

(Platsearch 50%, Paradigm Mexico 50%, Bondi can earn 60%)

The Cymbric Vale project is located in the Koonenberry Belt, an area of current strong exploration focus and new discoveries for nickel and base metals. The Cymbric Vale tenement had targets for both styles, and has had little or previous exploration. The project was drilled in 2007, with receipt of assays early in the 2008 financial year. In the results, there were some weak nickel anomalies from the Horseshoe Hills prospect and copper anomalies from the old Cymbric Vale copper mine.

The relatively low copper values in the elevated nickel intervals suggested that the nickel in these intervals was associated with silicate minerals rather than sulphides, downgrading the potential of the ultramafic sequence to host sulphide nickel.

Although the results from the drill program were moderately encouraging, the decision was taken in the June Quarter to withdraw from the option deal on the Cymbric Vale project.

Lake Amadeus Project

(Bondi 100% - application)

Notice was received from the Central Lands Council that the applications covering the Lake Amadeus and Lake Neal project had been vetoed by the Traditional Owners.

CORPORATE ACTIVITIES

In the 2008 financial year, the company appointed an Exploration Manager and has since added a strong core of field and administrative staff. A number of advanced uranium opportunities were reviewed during the financial year, but none were successfully acquired. The company continues to seek outstanding uranium opportunities through a targeted program of business development.

The exploration data and results contained in this report are based on information compiled by Dr Richard Valenta, a fellow of the Australian Institute of Mining and Metallurgy. He is Managing Director of the Company and has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Dr Valenta has consented to the inclusion in this release of the matters based on his information in the form and context in which it appears.

Directors' report

Your directors submit their report for the financial year ended 30 June 2008.

DIRECTORS

The names and details of the Company's directors in office during the financial period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Simon O'Loughlin	Non Executive Chairman
Richard Valenta	Managing Director
Simon Taylor	Non Executive Director
Creagh O'Connor	Non Executive Director
Mark Dugmore	Non Executive Director Appointed 27/11/2007
Damien Reynolds	Non Executive Director Appointed 27/11/2007, Retired 19/08/2008

Names, qualifications, experience and special responsibilities

Simon T. O'Loughlin BA(Acc)
Non Executive Chairman

Simon O'Loughlin is the founding member of O'Loughlins Lawyers, an Adelaide based medium sized specialist commercial law firm. For many years he has practiced both in Sydney and Adelaide, in the corporate and commercial fields with, in more recent times, a particular focus on the resources sector. He also holds accounting qualifications. He is currently Chairman of Living Cell Technologies Limited, WCP Resources Limited and a director of Petratherm Limited, Chesser Resources Limited, Probiomics Ltd and Aura Energy Limited. He has extensive experience and involvement with companies in the small industrial and resources sectors. He has also been involved in the listing and back-door listing of numerous companies on the ASX and National Stock Exchanges. He is a former Chairman of the Taxation Institute of Australia (SA Division) and Save the Children Fund (SA Division).

Dr Richard Valenta BSC, PhD, P.Geo (ON,NL)
Managing Director

Dr Valenta has a wealth of experience in the resources sector having spent the last 25 years employed in various roles in North America, Central America and Australia. Most recently Dr Valenta joined the Board of Chesser Resources Limited and prior to this he played a key role with the highly successful, Canadian based, Fronteer Company, where he was Chief Operating Officer and Vice President Exploration of Fronteer Development Company ("Fronteer") and Chief Geoscientist of Aurora Energy Resources Inc ("Aurora"). During that time the approximate market capitalisations of these companies increased from CDN$11 million to CDN$980 million and CDN$216 million to CDN$1 billion respectively. This reflected the success of Dr Valenta's team in making significant new discoveries and increasing resources – from no resources to 2.1 million ounces of gold (in the case of Fronteer) and 96 million lbs of uranium (in the case of Aurora).

Over the past 10 years, he has directed exploration expenditure of US$40 million, resulting in the discovery of resources with a total in-ground value of US$8 billion. He has carried out successful region selection and project generation on six continents, seeking a range of base metal, gold and uranium target styles and environments. He led the Central American exploration of a major Australian Mining Company (MIM), resulting in two important mineral discoveries. He has developed strong and productive relationships with community and indigenous stakeholders in Canada, Mexico and Australia leading to increased exploration access. Dr Valenta will also continue in his role as Managing Director of Chesser Resources Ltd.

Simon J.R. Taylor BSc(Geology), MAIG, GCertAppFin(Finsia)
Non Executive Director

Simon Taylor is a geologist with 17 years experience throughout Australia in gold, base metals and nickel having held senior geologist and exploration manager positions for numerous ASX listed resource companies. He has gained considerable experience in exploration, project assessment and joint venture negotiations. He is a non-executive Director of Chesser Resources Limited, Probiomics Limited and Newport Mining Ltd. He is also the founding Director of Geeland Pty Ltd providing consulting services to resource companies and financial corporations as a resource analyst.

Simon's corporate experience includes project appraisals, advice on placements and fund raising. Simon is a member of the Australian Institute of Geologists.

Creagh O'Connor BEc, LLB, ACA
Non-Executive Director

Mr O'Connor is a founding Director of specialist resource investment bank, Gryphon Partners Pty Ltd ("Gryphon"). Recent advisory assignments undertaken by Gryphon include: Oxiana Limited's A$11 billion merger with Zinifex Ltd, Lion Selection Limited's successful defence of the Indophil Resources NL takeover, Oxiana Limited's A$265 million acquisition of the Golden Grove base and precious metals operation in Western Australia; Oxiana's $415 million takeover of Agincourt Resources; the initial public offering of (uranium company) Toro Energy Limited; the A$80 million acquisition of (gold company) Sedimentary Holdings Limited by AuSelect Limited; and Agincourt Resources Limited's US$80 million acquisition of the Martabe gold project.

Prior to establishing Gryphon, Mr O'Connor was employed by the Normandy Mining Company in a variety of roles including Group General Manager of Business Development for Normandy Mining Limited having joined in 1993. Prior to this, he spent 13 years specialising in corporate finance, advisory roles and providing general financial advice in Australia and Europe.

Mr O'Connor has held numerous directorships of resource companies and was a founding director of Hindmarsh Resources Limited until it was taken over by Canadian Listed Mega Uranium Ltd. He is currently a Non-Executive Director of recently listed Chesser Resources Limited.

Mark Dugmore
Non-Executive Director

Mr Dugmore holds the position of Vice President Corporate Development with Canadian-listed Buffalo Gold. He is not a director of that Company. Mr Dugmore holds a Masters Degree in Exploration and Mining Geology from James Cook University, Australia and has twenty years global experience in the mining and minerals exploration industry. This experience includes serving as a manager of Australia/Asia/Africa and Global Base Metals for BHP Minerals and as an independent consultant providing advice to the mining industry and government. He has been involved with the discovery and commercial development of several mines and mineral deposits within Australian and overseas and has had involvement with gold and base metal exploration in Australia and the SW pacific region with a discovery record of almost 2 million ounces of gold and 500,000 tonnes of copper.

Damien Reynolds
Non-Executive Director

Mr Reynolds is the Chairman and Chief Executive Officer of Canadian-listed Buffalo Gold. He has been involved in the junior resource sector for twenty years. He has gained industry knowledge through founding, investing in and serving on the boards of a number of public exploration companies. Mr Reynolds has an impressive track record of projects of merit around the world and also for his ability to raise capital for junior companies. Mr Reynolds is the Chairman and Chief Executive Partner of Longview Capital Partners Inc, a publicly traded resource investment company with assets over $60 million. Mr Reynolds retired as a Director on 19 August 2008.

COMPANY SECRETARY

Pierre Van Der Merwe, CA

Pierre is a Chartered Accountant of 20 years experience and is currently a director of HLB Mann Judd (SA) Pty Ltd, a firm of Chartered Accountants in Adelaide, and a number of other private companies. He provides corporate advice and support to a number of companies listed on the ASX and has held the position of Company Secretary to ASX listed companies.

Pierre has extensive experience in the provision of professional services to clients, including tax consulting, management of client accounting systems, reporting at Board level, assisting with financial interpretations and strategic planning. He is also a Fellow of the Financial Services Institute of Australasia.

Richard Curyer, DFS (FP) MAICD

Richard Curyer is a Financial Planner with Haysman Financial Service Pty Ltd specialising in the areas of self-managed superannuation, investment strategies, and corporate solutions for business owners and professionals. Prior to joining Haysman Financial Services Pty Ltd, he was employed for 11 years by the Adelaide law firm Moulden's solicitors, practising in the Private Client department in the fields of portfolio administration, conveyancing, taxation, and corporate compliance.

Richard is a director of Integrate Office Solutions Pty Ltd, an Optus InChannel partner and Chatham Management Pty Ltd. He has been a committee member of the Cottage Homes Inc since 1997 and is its Honorary Treasurer. Richard is a member of the Australian Institute of Company Director's. Mr Curyer retired as the Company Secretary on 1 August 2008.

INTEREST IN SHARES AND OPTIONS OF THE COMPANY

As at the date of this report, the interests of the directors in the shares and options of Bondi Mining Limited were:

	Number of Ordinary Shares	Number of Options over Ordinary Shares
Simon O'Loughlin*	800,000	200,000
Richard Valenta*	1,164,868	1,500,000
Simon Taylor*	425,000	800,000
Creagh O'Connor*	2,900,000	1,000,000
Mark Dugmore	150,000	-
Total	**5,439,868**	**3,500,000**

** Held by directors and entities in which directors have a relevant interest.*

DIVIDENDS

No dividends were paid or declared since the start of the financial period to the date of this report. No recommendation for payments of dividends has been made.

PRINCIPAL ACTIVITIES

The Company is a diverse exploration company with a balanced portfolio of projects for the purpose of exploration, development and investment in the resources sector.

The principal activities of the Company during the financial year were:

- To conduct mineral exploration of areas held and to rigorously search for new acquisitions and investments with a particular focus on the gold, copper, nickel and uranium sector.

There have been no significant changes in the nature of those activities during the period.

OPERATING RESULT

The Company's loss after providing for income tax amounted to $1,544,695 (2007: $211,328).

REVIEW OF OPERATIONS

A full review of operations carried out by the Group is provided in the 'review of operations' preceding this Director's report.

AFTER BALANCE DATE EVENTS

The Company announced on 11 August 2008 that it had signed an agreement with WCP Resources Limited for Phosphate Exploration within its Murphy Project, Northern Territory.

The transaction terms provide for WCP to earn a 70% interest in all phosphorous minerals contained within eight granted exploration licences, with the exception of any phosphorous minerals directly associated with a uranium deposit, via a $150,000 minimum expenditure commitment within the first twelve months, followed by an additional $600,000 leading to a total of $750,000 in the first three years to earn a 51% interest, and an additional $750,000 over the subsequent two years to earn a 70% interest. Bondi has been commissioned to manage the minimum expenditure program, after which WCP has a right to become the operator or withdraw from the agreement.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

No significant changes in the Group's state of affairs occurred during the financial year.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company intends to continue to undertake appropriate exploration and evaluation expenditure thereby enabling it to maintain good title to all its prospective mineral properties until proper decisions can be made to successfully develop and exploit, sell or abandon such properties. New projects will be sought and evaluated. Provision of any further information may result in unreasonable prejudice to the Company.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company's operations are subject to significant environmental regulation under both Commonwealth and State Legislation in relation to its exploration and future mining and development activities. Exploration Licences and other tenements are issued subject to ongoing compliance with all relevant legislation.

There have been no recorded incidents of, or fines for non-compliance with any applicable regulations associated with environmental matters issued during the reporting period.

SHARE OPTIONS

At the date of this report, the following unlisted options to acquire shares in the Company were on issue:

Issue Date	Expiry Date	Exercise Price	Balance at 1 July 2007	Net Issued/(Exercised) during Year	Balance at 30 June 2008
29/12/2006	28/12/2010	$0.25	3,000,000	-	3,000,000
12/11/2007	11/11/2011	$0.30	-	500,000	500,000
12/11/2007	11/11/2011	$0.35	-	500,000	500,000
12/11/2007	11/11/2011	$0.40	-	500,000	500,000
21/11/2007	20/11/2009	$0.60	-	5,000,000	5,000,000
			3,000,000	**6,500,000**	**9,500,000**

New options issued

During the financial year 1,500,000 options were issued to Dr Richard Valenta and 5,000,000 options were issued to Buffalo Gold.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

To the extent that is permitted by law, the Company has indemnified (fully insured) each director and the secretary of the company for a premium of $11,878. The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings (that may be brought) against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company.

Corporate Governance Statement

INTRODUCTION

The board of directors is responsible for the corporate governance of Bondi Mining Ltd (the Company) and its controlled entities (the Group). The Company operates in accordance with the corporate governance principles as set out by the ASX corporate governance council and required under ASX listing rules.

The Company details below the corporate government practices in place at the end of the financial year, all of which comply with the principles and recommendations of the ASX corporate governance council unless otherwise stated.

Principle 1: Lay solid foundations for management and oversight

Board Responsibilities

The Board is accountable to the Shareholders for the performance of the Company and have overall responsibility for its operations. Day to day management of the Company's affairs and the implementation of the corporate strategy and policy initiatives, are formally delegated by the Board to the Managing Director and ultimately to senior executives.

The key responsibilities of the board include:

- Approving the strategic direction and related objectives of the Company and monitoring management performance in the achievement of these objectives;
- Adopting budgets and monitoring the financial performance of the Company;
- Reviewing annually the performance of the managing director and senior executives against the objectives and performance indicators established by the Board;
- Overseeing the establishment and maintenance of adequate internal controls and effective monitoring systems;
- Overseeing the implementation and management of effective safety and environmental performance systems;
- Ensuring all major business risks are identified and effectively managed;
- Ensuring that the Group meets its legal and statutory obligations.

For the purposes of the proper performance of their duties, the Directors are entitled to seek independent professional advice at the Group's expense, unless the Board determines otherwise. The Board schedules meetings on a regular basis and other meetings as and when required.

The board has not publicly disclosed a statement of matters reserved for the board, or the board charter and therefore the Company has not complied with recommendation 1.3 of the Corporate Governance Council. Given the size of the Company, the board has not considered it necessary to formulate a board charter.

Principle 2: Structure the board to add value

Size and composition of the Board

At the date of this statement the board consists of four non-executive directors and one executive. Director's are expected to bring independent views and judgement to the Board's deliberations.

• Mr Simon O'Loughlin	Non-Executive Chairman
• Dr Rick Valenta	Managing Director
• Mr Simon Taylor	Non-Executive
• Mr Creagh O'Connor	Non-Executive
• Mr Mark Dugmore	Non-Executive

The board considers this to be an appropriate composition given the size and development of the Group at the present time. The names of directors including details of their qualifications and experience are set out in the Directors' Report of this Financial Report.

Independence

The Board is conscious of the need for independence and ensures that where a conflict of interest may arise, the relevant Director(s) leave the meeting to ensure a full and frank discussion of the matter(s) under consideration by the rest of the Board. Those Directors who have interests in specific transactions or potential transactions do not receive Board papers related to those transactions or potential transactions, do not participate in any part of a Directors' meeting which considers those transactions or potential transactions, are not involved in the decision making process in respect of those transactions or potential transactions, and are asked not to discuss those transactions or potential transactions with other Directors.

Messrs O'Loughlin, Taylor and O'Connor are considered independent directors as they have no other material relationship or association with the Company or its subsidiaries other than their directorship's. Mr Dugmore is employed in an executive capacity with Buffalo Gold Ltd, the beneficial owner of 42.44% of the issued capital in Bondi Mining Ltd and is not considered independent. The Company therefore has three independent directors as that relationship is currently defined.

Nomination, retirement and appointment of Directors

The board has not established a nomination committee and therefore the Company has not complied with recommendation 2.4 of the Corporate Governance Council. Given the size of the Company and board the board does not consider a separate committee appropriate. The board takes ultimate responsibility for these matters. The composition/membership of the board is subject to review in a number of ways, as outlined below:

- The Company's constitution provides that at every Annual General Meeting, one third of the directors shall retire from office but may stand for re-election.
- Board composition is also reviewed periodically either when a vacancy arises or if it is considered that the board would benefit from the services of a new director, given the existing mix of skills and experience of the board which should match the strategic demands of the Group. Once it has been agreed that a new director is to be appointed, a search would be undertaken, sometimes using the services of external consultants. Nominations are subsequently received and reviewed by the board.

Evaluation of Board performance

The Board continues to review performance and identify ways to improve performance. The Chairman is responsible for reviewing the Board performance on an annual basis.

Board Committees

It is the role of the Board to oversee the management of the Company and it may establish appropriate committees to assist in this role.

The Board has established an audit, risk and compliance committee. At the present time no other committees have been established because of the size of the Company and the involvement of the Board in the operations of the Company. The Board takes ultimate responsibility for the operations of the Company including remuneration of Directors and executives and nominations to the Board.

The board has not publicly disclosed the process for evaluating the performance of the board, its committees and individual directors. Therefore, the Company has not complied with recommendation 2.5 of the Corporate Governance Council. Given the size of the Company, the board does not consider disclosure of the performance evaluation process necessary. The board takes ultimate responsibility for these matters.

Principle 3: Promote ethical and responsible decision making

Code of Conduct

The Board recognises the need for Directors and employees to observe the highest standards of behaviour and business ethics when engaging in corporate activity. The Group intends to maintain a reputation for integrity. The Company's officers and employees are required to act in accordance with the law and with the highest ethical standards. The Board has adopted a formal code of conduct applying to the Board and all Employees. However, the Company has not publicly disclosed the code of conduct and therefore the Company has not complied with recommendation 3.1 of the Corporate Governance Council. Given the size of the Company, the board does not consider disclosure of the code of conduct to be necessary. The board takes ultimate responsibility for these matters.

Securities Trading Policy

The Company's constitution permits directors to acquire securities in the Company, however Company policy prohibits directors and senior management from dealing the Company's securities at any time whilst in possession of price sensitive information and for 24 hours after:

- Any major announcements;
- The release of the Company's quarterly, half yearly and annual financial results to the Australian Securities Exchange; and
- The Annual General Meeting.

Directors must advise the chairman of the board before buying or selling securities in the Company. All such transactions are reported to the board. In accordance with the provisions of the Corporations Act and the Listing Rules of the Australian Securities Exchange, the Company advises the Exchange of any transaction conducted by directors in securities in the Company.

The Company has not established and publicly disclosed a policy concerning trading in company securities by directors, senior executives and employees other than as described above, and therefore has not complied with recommendation 3.2 of the Corporate Governance Council. Given the size of the Company, the board does not consider establishment or disclosure of a trading policy to be appropriate. The board takes ultimate responsibility for these matters.

Principle 4: Safeguard integrity in financial reporting

The Group aims to independently verify and safeguard the integrity of their financial reporting through establishment of the following structure:

- Review and consideration of the financial statements by the audit committee;
- A process to ensure the independence and competence of the Group's external auditors.

Audit Committee

The audit, risk and compliance committee comprises Mr Simon O'Loughlin (Chairman) who is also the non-executive chairman of the Company, Mr Creagh O'Connor a non-executive director and Mr Pierre Van Der Merwe the Company Secretary. The Board will annually confirm the membership of the committee.

The committee's primary responsibilities are to:

- oversee the existence and maintenance of internal controls and accounting systems;
- oversee the management of risk within the Company;
- oversee the financial reporting process;
- review the annual and half-year financial reports and recommend them for approval by the Board of Directors;
- nominate external auditors;
- review the performance of the external auditors and existing audit arrangements; and
- ensure compliance with laws, regulations and other statutory or professional requirements, and the Company's governance policies.

The Company has not complied with recommendation 4.2 of the Corporate Governance Council which states that the Chairman of the Company should not be the chair of the Audit Committee.

In addition, the board has not documented a formal committee charter and therefore the Company has not complied with recommendation 4.3 of the Corporate Governance Council.

Given the size of the Company the members of the audit committee have been chosen for their relative skills and experience. The board continues to monitor the composition of the committee and the roles and responsibilities of the members.

Principle 5: Make timely and balanced disclosure

The Company has a policy that all shareholders and investors have equal access to the Company's information. The board ensures that all price sensitive information is disclosed to the ASX in accordance with the continuous disclosure requirements of the Corporation's Act and ASX Listing Rules. The company secretary has primary responsibility for all communications with the ASX. The company secretary has primary responsibility for all communications with the ASX and is accountable to the board through the chair for all governance matters.

The Company has not publicly disclosed a formal disclosure policy and therefore has not complied with recommendation 5.1 of the Corporate Governance Council. Given the size of the Company, the board does not consider a public disclosure policy to be appropriate. The board takes ultimate responsibility for these matters.

Principle 6: Respect the rights of shareholders

The Board strives to ensure that Shareholders are provided with sufficient information to assess the performance of the Company and its Directors and to make well-informed investment decisions.

Information is communicated to Shareholders through:

- annual, half-yearly and quarterly financial reports;
- annual and other general meetings convened for Shareholder review and approval of Board proposals;
- continuous disclosure of material changes to ASX for open access to the public; and
- the Company maintains a website where all ASX announcements, notices and financial reports are published as soon as possible after release to ASX.

All information disclosed to the ASX is posted on the company's web site www.bondimining.com.au.

The auditor is invited to attend the annual general meeting of Shareholders. The Chairman will permit Shareholders to ask questions about the conduct of the audit and the preparation and content of the audit report.

The Company has not designed or publicly disclosed a communications policy and therefore has not complied with recommendation 6.1 of the Corporate Governance Council. Given the size of the Company, the board does not consider design of, or disclosure of a communications policy to be appropriate. The board takes ultimate responsibility for these matters.

Principle 7: Recognise and manage risk

The Board has identified the significant areas of potential business and legal risk of the Group. The identification, monitoring and, where appropriate, the reduction of significant risk to the Group is the responsibility of the Managing Director and the Board. The Board has also established the audit, risk and compliance committee which addresses the risk of the Group.

The Board reviews and monitors the parameters under which such risks will be managed. Management accounts are prepared and reviewed with the Managing Director at subsequent Board meetings. Budgets are prepared and compared against actual results.

Management and the Board monitor the Company's material business risks and reports are considered at regular meetings.

Managing Director and Company Secretary declaration to the Board of Directors

The Managing Director and the Company Secretary will be required to state in writing to the Board that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results are in accordance with relevant accounting standards. Included in this statement will be confirmation that the Company's risk management and internal controls are operating efficiently and effectively.

The Company has not established or publicly disclosed a policy for the oversight and management of material business risks and therefore has not complied with recommendation 7.1 of the Corporate Governance Council. Given the size of the Company, the board does not consider establishment or disclosure of a risk management policy to be appropriate. The board takes ultimate responsibility for these matters.

Principle 8: Remunerate fairly and responsibly

The Chairman and the non-executive Directors are entitled to draw Directors fees and receive reimbursement of reasonable expenses for attendance at meetings. The Company is required to disclose in its annual report details of remuneration to Directors. The maximum aggregate annual remuneration which may be paid to non-executive Directors is $200,000. This amount cannot be increased without the approval of the Company's shareholders. Please refer to the remuneration report within the directors' report for details regarding the remuneration structure of the managing director and senior management.

The board has not established a remuneration committee or disclosed a remuneration committee charter and therefore the Group has not complied with recommendation 8.1 and 8.3 respectively of the Corporate Governance Council. Given the size of the Group, the board does not consider a separate committee appropriate. The board takes ultimate responsibility for these matters.

AUDITED REMUNERATION REPORT

This report outlines the remuneration arrangements in place for directors and executives of the Company.

The required S300A remuneration and entitlement information is provided below.

Key management personnel remuneration policy

The board is responsible for determining remuneration policies applicable to directors and other key management personnel of the Company. The broad policy is to ensure that remuneration properly reflects the individuals' duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people with appropriate skills and experience. At the time of determining remuneration consideration is given by the board to the Company's financial performance.

Key management personnel remuneration and equity holdings

The board currently determines the nature and amount of remuneration for key management personnel of the Company. The policy is to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Company's financial results.

The non-executive directors and other key management personnel receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to key management personnel is expensed as incurred. Key management personnel are also entitled to participate in the company share option scheme. Options are valued using the Black-Scholes methodology.

The board policy is to remunerate non-executive directors at market rates based on comparable companies for time, commitment and responsibilities. The board determines payments to non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

Table 1: Directors remuneration for the period ended 30 June 2008

	Short-term Benefits	Post Employment	Share-based Payments	Total
	Salary & Fees	Superannuation	Value of Options	
Simon O'Loughlin (1)				
2008	25,000	-	-	**25,000**
2007	12,500	-	8,851	**21,351**
Richard Valenta				
2008	120,000	-	202,830	**322,830**
2007	38,333	-	-	**38,333**
Simon Taylor (2)				
2008	25,000	-	-	**25,000**
2007	12,500	-	35,405	**47,905**
Creagh O'Connor (3)				
2008	25,000	-	-	**25,000**
2007	12,500	-	44,256	**56,756**
Mark Dugmore				
2008	12,500	-	-	**12,500**
Total				
2008	**207,500**	**-**	**202,830**	**410,330**
2007	**75,833**	**-**	**88,512**	**164,345**

(1) O'Loughlins Lawyers of which Simon O'Loughlin is a partner received legal fees of $56,425 during the year (2007: $29,912). Simon O'Loughlin received director's fees as set out above.

(2) Geeland Pty Ltd of which Simon Taylor is a director provided consulting services during the year amounting to $12,364 (2007: $38,442). Simon Taylor received director's fees as set out above.

(3) Gryphon Partners Pty Ltd of which Creagh O'Connor is a director provided consulting services during the year amounting to $32,170 (2007: $100,428). Creagh O'Connor received director's fees as set out above.

Table 2: Key Management Personnel remuneration for the period ended 30 June 2008

	Short-term Benefits	Post Employment	Share-based Payments	Total
	Salary & Fees	Superannuation	Value of Options	
Richard Curyer (1)				
2008	-	-	-	**-**
Pierre Van Der Merwe (2)				
2008	-	-	-	**-**
David Esser				
2008	135,286	12,176	-	**147,462**
Total				
2008	**135,286**	**12,176**	**-**	**147,462**
2007	**-**	**-**	**-**	**-**

(1) Chatham Management Pty Ltd of which Richard Curyer is a director provided corporate secretarial services during the year amounting to $30,909 (2007: $20,000).

(2) HLB Mann Judd (SA) Pty Ltd of which Pierre Van Der Merwe is a director provided accounting, taxation and secretarial services for the year of $48,846.

Table 3: Options issued as part of remuneration

Options are issued to executives as part of their remuneration to attract and retain their services and to provide incentive linked to performance of the Company. The options issued will only be of benefit if executives perform to a level whereby the value of the Company increases sufficiently to warrant exercising the options. It is considered that any additional performance criterion is not warranted. These options were valued using Black-Scholes method (Note 12).

30 June 2008	Grant number	Grant date	Vesting date	Value per option at grant date	Exercise price per option	Expiry date	Last exercise date
Richard Valenta *	500,000	12/11/2007	12/11/07	$0.212	$0.300	11/11/11	11/11/11
Richard Valenta *	500,000	12/11/2007	12/11/08	$0.204	$0.350	11/11/11	11/11/11
Richard Valenta *	500,000	12/11/2007	12/11/09	$0.204	$0.400	11/11/11	11/11/11
Total	**1,500,000**						

** Held by directors and entities in which directors have a relevant interest.*

Table 4: Option holdings of Key Management Personnel

30 June 2008	Balance at beginning of year	Options Granted as remuneration	Balance at end of year	Expiry date	First exercise date	Last exercise date
Directors						
Simon O'Loughlin *	200,000	-	200,000	28/12/2010	29/12/2006	28/12/2010
Richard Valenta *	-	500,000	500,000	11/11/2011	12/11/2007	11/11/2011
Richard Valenta *	-	500,000	500,000	11/11/2011	12/11/2008	11/11/2011
Richard Valenta *	-	500,000	500,000	11/11/2011	12/11/2009	11/11/2011
Simon Taylor *	800,000	-	800,000	28/12/2010	29/12/2006	28/12/2010
Creagh O'Connor*	1,000,000	-	1,000,000	28/12/2010	29/12/2006	28/12/2010
Executives						
n/a	-	-	-	-	-	-
Total	**2,000,000**	**1,500,000**	**3,500,000**			

30 June 2007	Balance at beginning of period	Options Granted as remuneration	Balance at end of period	Expiry date	First exercise date	Last exercise date
Directors						
Simon O'Loughlin *	-	200,000	200,000	28/12/2010	29/12/2006	28/12/2010
Richard Valenta *	-	-	-	-	-	-
Simon Taylor *	-	800,000	800,000	28/12/2010	29/12/2006	28/12/2010
Creagh O'Connor *	-	1,000,000	1,000,000	28/12/2010	29/12/2006	28/12/2010
Executives						
n/a	-	-	-	-	-	-
Total	**-**	**2,000,000**	**2,000,000**			

** Held by directors and entities in which directors have a relevant interest.*

Table 5: Key Management Personnel shareholdings

30 June 2008	Balance at beginning of period	On Exercise of Options	Shares acquired during the period	Balance at end of period
Directors				
Simon O'Loughlin *	800,000	-	-	800,000
Richard Valenta *	-	-	1,164,868	1,164,868
Simon Taylor *	400,000	-	25,000	425,000
Creagh O'Connor*	2,900,000	-	-	2,900,000
Mark Dugmore*	-	-	150,000	150,000
Executives				
Richard Curyer*	200,000	-	50,000	250,000
Total	**4,300,000**	**-**	**1,389,868**	**5,689,868**

30 June 2007	Balance at beginning of period	On Exercise of Options	Shares acquired during the period	Balance at end of period
Directors				
Simon O'Loughlin *	-	-	800,000	800,000
Richard Valenta *	-	-	-	-
Simon Taylor *	-	-	400,000	400,000
Creagh O'Connor*	-	-	2,900,000	2,900,000
Executives				
Richard Curyer*	-	-	200,000	200,000
Total	**-**	**-**	**4,300,000**	**4,300,000**

** Held by directors and entities in which directors have a relevant interest.*

DIRECTORS' MEETINGS

The number of meetings of directors held during the period and the number of meetings attended by each director are as follows:

	Directors' Meetings		Audit Committee	
Number of meetings held	3		2	
	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended
Simon O'Loughlin	3	3	2	2
Richard Valenta	3	3	-	-
Simon Taylor	3	3	-	-
Creagh O'Connor	3	1	2	1
Mark Dugmore	2	2	-	-
Damien Reynolds	2	-	-	-

AUDIT COMMITTEE

The audit committee is comprised of Messrs Creagh O'Connor and Simon O'Loughlin, each of whom is a non-executive Director and Pierre Van Der Merwe who is the company secretary, all of whom are free from any relationships which might, in the opinion of the Board, be construed as a conflict of interest. The board will annually confirm the membership of the committee.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the period.

NON-AUDIT SERVICES

PKF Corporate (SA) Pty Ltd is a Company controlled by the partners of PKF Chartered Accountants and Business Advisors South Australian Partnership. PKF Corporate has not provided additional advisory services to the Company during the year. The board is satisfied that the PKF have not compromised the auditor independence requirements of the Corporations Act 2001 during the year.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the period ended 30 June 2008 has been received and can be found on the following page.

Signed in accordance with a resolution of the board of directors.

Dr Richard Valenta
Managing Director

Dated this 17th day of September 2008.

Auditor's Independence Declaration

PKF
Chartered Accountants
& Business Advisers

To the Directors of Bondi Mining Limited

As lead auditor for the audit of Bondi Mining Ltd for the year ended 30 June 2008, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

PKF
Chartered Accountants

P J Whelan
Partner

Signed at Adelaide this 17th day of September 2008.

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GPO Box 2505 | Adelaide | South Australia 5001

Income Statement FOR THE YEAR ENDED 30 JUNE 2008

	Note	Consolidated		Company	
		2008 $	2007 $	2008 $	2007 $
Revenue	3 (a)	264,111	203,849	264,111	203,849
Impairment of non-current assets	3 (b)	(663,034)	-	(663,034)	-
Employee benefits expense	3 (c)	(496,921)	(126,012)	(496,921)	(126,012)
Depreciation expense	10	(49,933)	(471)	(49,933)	(471)
Other expenses	3 (d)	(598,918)	(288,694)	(598,918)	(288,694)
Loss Before Income Tax		**(1,544,695)**	**(211,328)**	**(1,544,695)**	**(211,328)**
Income tax expense	4	-	-	-	-
Loss for the Period		**(1,544,695)**	**(211,328)**	**(1,544,695)**	**(211,328)**
Earnings Per Share:			**Cents**		
Basic earnings per share	5	(3.20)	(1.19)		
Diluted earnings per share	5	(3.20)	(1.19)		

The accompanying notes form part of these financial statements

Balance Sheet AS AT 30 JUNE 2008

	Note	Consolidated 2008 $	Consolidated 2007 $	Company 2008 $	Company 2007 $
Assets					
Current Assets					
Cash and cash equivalents	6	1,647,737	5,477,719	1,647,627	5,477,719
Trade and other receivables	7	157,742	113,646	2,942,759	113,646
Other	8	152,288	32,209	29,777	32,209
Total Current Assets		1,957,767	5,623,574	4,620,163	5,623,574
Non-Current Assets					
Investments in associates	9	-	-	10,955,000	-
Property, plant and equipment	10	204,784	53,829	204,784	53,829
Exploration and evaluation assets	11	13,617,396	171,900	-	171,900
Total Non-Current Assets		13,822,180	225,729	11,159,784	225,729
Total Assets		**15,779,947**	**5,849,303**	**15,779,947**	**5,849,303**
Liabilities					
Current Liabilities					
Trade and other payables	13	315,093	184,461	315,093	184,461
Short term provisions	14	11,089	-	11,089	-
Total Current Liabilities		326,182	184,461	326,182	184,461
Total Liabilities		326,182	184,461	326,182	184,461
Net Assets		**15,453,765**	**5,664,842**	**15,453,765**	**5,664,842**
Equity					
Issued capital	15	16,499,233	5,891,181	16,499,233	5,891,181
Accumulated losses	16	(1,911,066)	(359,107)	(1,911,066)	(359,107)
Reserves	17	865,598	132,768	865,598	132,768
Total Equity		**15,453,765**	**5,664,842**	**15,453,765**	**5,664,842**

The accompanying notes form part of these financial statements

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2008

	Consolidated				Company			
	Share Capital Ordinary $	Accumulated Losses $	Share Option Reserve $	Total $	Share Capital Ordinary $	Accumulated Losses $	Share Option Reserve $	Total $
Balance at 1 July 2007	5,891,181	(359,107)	132,768	5,664,842	5,891,181	(359,107)	132,768	5,664,842
Loss attributable to members	-	(1,544,695)	-	(1,544,695)	-	(1,544,695)	-	(1,544,695)
Issued pursuant to sale and purchase agreement - Buffalo Gold	10,425,000	-	530,000	10,955,000	10,425,000	-	530,000	10,955,000
Issue of share options under employee share option plan	-	-	202,830	202,830	-	-	202,830	202,830
Issue of shares to the Managing Director	200,000	-	-	200,000	200,000	-	-	200,000
Transaction costs	(24,212)			(24,212)	(24,212)			(24,212)
Issue Costs - tax benefit not recognized	7,264	(7,264)	-	-	7,264	(7,264)	-	-
Balance at 30 June 2008	**16,499,233**	**(1,911,066)**	**865,598**	**15,453,765**	**16,499,233**	**(1,911,066)**	**865,598**	**15,453,765**
Balance at Incorporation on 13 July 2006	-	-	-	-	-	-	-	-
Loss attributable to members	-	(211,328)	-	(211,328)	-	(211,328)	-	(211,328)
Shares Issued	6,236,000	-	-	6,236,000	6,236,000	-	-	6,236,000
Transaction costs	(492,598)	-	-	(492,598)	(492,598)	-	-	(492,598)
Issue Costs - tax benefit not recognized	147,779	(147,779)	-	-	147,779	(147,779)	-	-
Share options issued	-	-	132,768	132,768	-	-	132,768	132,768
Balance at 30 June 2007	**5,891,181**	**(359,107)**	**132,768**	**5,664,842**	**5,891,181**	**(359,107)**	**132,768**	**5,664,842**

The accompanying notes form part of these financial statements

Cash Flow Statement

FOR THE YEAR ENDED 30 JUNE 2008

	Note	Consolidated		Company	
		2008 $	2007 $	2008 $	2007 $
Cash Flows from Operating Activities					
Receipts from customers		13,023	-	13,023	-
Payments to suppliers and employees		(924,853)	(315,069)	(802,342)	(315,069)
Interest received		260,478	186,364	260,478	186,364
Net Cash (Used in) Operating Activities	**6**	**(651,352)**	**(128,705)**	**(528,841)**	**(128,705)**
Cash Flows from Investing Activities					
Purchase of property, plant and equipment		(200,888)	(53,829)	(200,888)	(53,829)
Loans to wholly- owned subsidiary		-	-	(2,785,017)	-
Payments for exploration activities		(3,153,530)	(127,405)	(491,134)	(127,405)
Net Cash (Used in) Investing Activities		**(3,354,418)**	**(181,234)**	**(3,477,039)**	**(181,234)**
Cash Flows from Financing Activities					
Proceeds from issue of shares		200,000	6,236,000	200,000	6,236,000
Transaction costs of issue of shares and options		(24,212)	(448,342)	(24,212)	(448,342)
Net Cash Provided by Financing Activities		**175,788**	**5,787,658**	**175,788**	**5,787,658**
Net (decrease)/increase in cash and cash equivalents		(3,829,982)	5,477,719	(3,830,092)	5,477,719
Cash and cash equivalents at the beginning of the year		5,477,719	-	5,477,719	-
Cash and Cash Equivalents at End of Year	**6**	**1,647,737**	**5,477,719**	**1,647,627**	**5,477,719**

The accompanying notes form part of these financial statements

Notes to the Financial Statements FOR THE YEAR ENDED 30 JUNE 2008

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

This financial report includes the consolidated financial statements and notes of Bondi Mining Limited and controlled entities ('the Group'), and the separate financial statements and notes of Bondi Mining Limited as an individual parent entity ('the Company').

The financial report of the Company complies with all International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a. Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on an accrual basis and is based on historical costs, modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

b. Principles of consolidation

The consolidated financial statements comprise the financial statements of Bondi Mining Limited and its subsidiaries as at 30 June each year (the Group). A controlled entity is any entity Bondi Mining Limited has the power to control the financial and operating policies of so as to obtain benefits from its activities. A list of controlled entities is contained in note 24 to the financial statements.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

c. Significant assumptions

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using the Black-Scholes model, using the assumptions detailed in note 12.

The Company measures the cost of cash-settled share-based payments at fair value at the grant date using the Black-Scholes formula taking into account the terms and conditions upon which the instruments were granted, as discussed in note 12.

d. Critical accounting estimates and judgements

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key Estimates – Exploration and evaluation

The Company's policy for exploration and evaluation is discussed in note 1(n). The application of this policy requires management to make certain assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised exploration and evaluation expenditure, management concludes that the capitalised expenditure is unlikely to be recovered by future sale or exploration, then the relevant capitalised amount will be written off through the income statement.

e. Revenue Recognition

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial asset.

All revenue is stated net of the amount of the goods and services tax (GST).

f. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

g. Trade and other receivables

Trade receivables, which generally have 30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

A provision for impairment is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

h. Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

i. Joint venture

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. A jointly controlled operation involves use of assets and other resources of the venturers rather than establishment of a separate entity. The Company recognises its interest in the jointly controlled operation by recognising the assets that it controls and the liabilities that it incurs. The Company also recognises the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the jointly controlled operation.

j. Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

k. Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

l. Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets. The depreciation rates which are applied consistently are:

Plant & equipment: 10 – 40%
Office Equipment: 10 – 40%
Fixtures and Fittings: 10 – 40%
Motor Vehicles: 10 – 40%

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

m. Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

n. Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to the basis that the restoration will be completed within one year of abandoning the site.

o. Trade and other payables

Trade payables and other payables are stated at cost and represent liabilities for goods and services provided to the Company prior to the end of the financial period that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

p. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects the risks specific to the liability.

q. Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

r. Earnings per share

Basic earnings per share is calculated as net profit/(loss) attributable to the Company, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

s. Employee leave benefits

Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

t. Share-based payment transactions

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using the Black-Scholes option pricing model.

The cost of equity-settled transactions is recognised as an expense in the income statement, together with a corresponding increase in the share option reserve, when the options are issued.

Upon the exercise of options, the balance of share based payments reserve relating to those options is transferred to share capital.

u. New Accounting standards and interpretations

Certain new accounting standards, amendments to standards and interpretations have been published that are not mandatory for 30 June 2008 reporting periods. The following standards and amendments are available for early adoption but have not been applied by the consolidated entity in these financial statements:

AASB 8 Operating Segments (effective from 1 January 2009)

This standard will require the entity to adopt the "management approach" to disclosing information about its reportable segments. Generally, the financial information will be reported on the same basis as it is used internally by the chief decision maker for evaluating operating segment performance and deciding how to allocate resources to operating segments. Such information may be prepared using different measures that used in preparing the income statement and balance sheet in which case reconciliations of certain items will be required.

Revised AASB 132 Borrowing Costs and AASB 2007-6 Amendments (effective from 1 January 2009)

The revised AASB 123 is applicable to annual reporting periods commencing on or after 1 January 2009. It has removed the option to expense all borrowing costs and – when adopted – will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset.

Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101

A revised AASB 101 was issued in September 2007 and is applicable to annual reporting periods commencing on or after 1 January 2009. It requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not effect any of the amounts recognized in the financial statements. If an entity has made a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet, this one being at the beginning of the comparative period. The group intends to apply the revised standard from 1 July 2009.

The application of these standards will not affect the amounts recognised in the financial statements.

2. SEGMENT INFORMATION

Industry & Geographical Segment

The Company operates in the mining exploration sector solely within Australia.

3. REVENUE AND EXPENSES

	Consolidated		Company	
	2008 $	2007 $	2008 $	2007 $
(a) Revenue				
Bank interest received or receivable	252,844	203,849	252,844	203,849
Insurance Recoveries	2,267	-	2,267	-
Equipment rental	9,000	-	9,000	-
	264,111	**203,849**	**264,111**	**203,849**
(b) Impairment of Non-Current Assets				
Capitalised tenement costs written off	663,034	-	663,034	-
Total Impairment of Non-Current Assets	**663,034**	**-**	**663,034**	**-**
(c) Employees Benefits Expense				
Directors fees	227,245	37,500	144,542	37,500
Workers' compensation costs	3,352	-	3,352	-
Defined contribution plan expense	32,131	-	32,131	-
Salaries and Wages	390,398	-	390,398	-
Transfer to/(from) annual leave provision	11,089	-	11,089	-
Share-based payments expense	202,830	88,512	202,830	88,512
Transfer to capitalised tenements	(370,124)	-	(370,124)	-
	496,921	**126,012**	**414,218**	**126,012**
(d) Other Expenses				
Professional fees	181,979	119,262	181,979	119,262
Insurance costs	19,805	9,759	19,805	9,759
Travel, accommodation and conferences	141,534	9,132	141,534	9,132
Auditor's remuneration	27,530	-	27,530	-
Subscriptions, fees & licences	39,991	173	39,991	173
Share registry fees	52,417	47,588	52,417	47,588
Lease commitments	20,988	21,000	20,988	21,000
Other expenses	114,675	81,780	114,675	81,780
	598,918	**288,694**	**598,918**	**288,694**

4. INCOME TAX

	Consolidated		Company	
	2008 $	2007 $	2008 $	2007 $
The Major components of income tax expense are:				
Income Statement				
Current income tax				
Current income tax charge/(benefit)	(1,186,935)	(123,215)	(397,816)	(123,215)
Future income tax benefit not realised as recognition criteria of AASB 112 not met	1,186,935	123,215	397,816	123,215
Income Tax Expense/benefit Reported in the Income Statement	-	-	-	-
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:				
Accounting Profit Before Income Tax	**(1,544,695)**	**(211,328)**	**(1,544,695)**	**(211,328)**
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2007: 30%)	(463,409)	(63,398)	(463,409)	(63,398)
Tax effect of permanent differences				
Non allowable items	246,118	26,695	246,118	26,695
Other deductible items	(969,644)	(86,512)	(180,525)	(86,512)
	(1,186,935)	**(123,215)**	**(397,816)**	**(123,215)**
Income Tax Losses				
Future income tax benefit arising from tax losses of a controlled entity not recognised at reporting date as realisation of the benefit is not regarded as virtually certain of being crystallised				
Timing Difference at 30%	(745,831)	(51,570)	53,378	(51,570)
Tax losses at 30%	1,301,089	123,216	511,971	123,216
	555,258	**71,646**	**565,349**	**71,646**

The Group has tax losses arising in Australia of $4,336,965 (2007: $410,720) that are available indefinitely for offset against future taxable profits of the Company.

This future income tax benefit will only be obtained if:

- future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised; and
- the conditions for deductibility imposed by tax legislation continue to be complied with; and
- no changes in tax legislation adversely affect the Company in realising the benefit.

5. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net loss for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	Consolidated	
	2008 $	13 July 2006 - 30 June 2007 $
Net loss attributable to ordinary equity holders	**(1,544,695)**	**(211,328)**
Weighted average number of ordinary shares for basic earnings per share	48,327,397	17,730,137

In accordance with AASB 133 'Earnings per Share', as potential ordinary shares may only result in a situation where their conversion results in an increase in loss per share or decrease in profit per share from continuing operations, no dilutive effect has been taking into account in 2008.

6. CASH AND CASH EQUIVALENTS

	Consolidated		Company	
	2008 $	2007 $	2008 $	2007 $
Cash at bank and in hand	79,663	372,320	79,553	372,320
Short-term deposits	1,568,074	5,105,399	1,568,074	5,105,399
	1,647,737	**5,477,719**	**1,647,627**	**5,477,719**

	Consolidated		Company	
	2008 $	2007 $	2008 $	2007 $
Reconciliation to Cash				
For the purposes of the Cash Flow Statement, cash and cash equivalents comprise the following at 30 June:				
Cash at banks and in hand	79,663	372,320	79,553	372,320
Short-term deposits	1,568,074	5,105,399	1,568,074	5,105,399
	1,647,737	**5,477,719**	**1,647,627**	**5,477,719**

6. CASH AND CASH EQUIVALENTS (CONTINUED)

	Consolidated		Company	
	2008 $	2007 $	2008 $	2007 $
Reconciliation of net loss after tax to net cash flows from operations				
Net loss	(1,544,695)	(211,328)	(1,544,695)	(211,328)
Adjustments for non-cash items:				
Depreciation	49,933	471	49,933	471
Impairment of non-current assets and held-for-sale assets	663,034	-	663,034	-
Share options expensed	202,830	88,512	202,830	88,512
Changes in operating assets and liabilities				
Decrease/(Increase) in trade and other receivables	(44,096)	(113,646)	(44,096)	(113,646)
(Increase) in other assets	(120,079)	(32,210)	2,432	(32,210)
Increase in trade and other payables	130,632	139,496	130,632	139,496
Increase in provisions	11,089	-	11,089	-
Net cash used in operating activities	**(651,352)**	**(128,705)**	**(528,841)**	**(128,705)**

7. TRADE AND OTHER RECEIVABLES

	Consolidated		Company	
	2008 $	2007 $	2008 $	2007 $
Current				
Sundry receivables	43,693	45,128	2,828,711	45,128
Goods & Services Tax receivable	114,048	68,518	114,048	68,518
	157,742	**113,646**	**2,942,759**	**113,646**

8. OTHER CURRENT ASSETS

	Consolidated		Company	
	2008 $	2007 $	2008 $	2007 $
Current				
Prepayments	142,439	14,725	19,928	14,725
Accrued income	9,849	17,483	9,849	17,483
	152,288	**32,209**	**29,777**	**32,209**

9. INVESTMENT IN SUBSIDIARY

	Consolidated		Company	
	2008 $	2007 $	2008 $	2007 $
At cost:				
Investment in subsidiary				
- Murphy Uranium Pty Ltd	-	-	10,955,000	-
	-	**-**	**10,955,000**	**-**

10. PROPERTY, PLANT AND EQUIPMENT

	Consolidated						Company					
	Plant and Equipment $	Office Equipment $	Furniture & Fittings $	Motor Vehicles $	Website Development $	Total $	Plant and Equipment $	Office Equipment $	Furniture & Fittings $	Motor Vehicles $	Website Development $	Total $
Year Ended 30 June 2008												
At 1 July 2007, net of accumulated depreciation	-	19,276	30,063	-	4,490	53,829	-	19,276	30,063	-	4,490	53,829
Additions	84,822	35,973	2,877	74,328	2,888	200,888	84,822	35,973	2,877	74,328	2,888	200,888
Depreciation charge for the year	(13,010)	(20,244)	(4,319)	(9,876)	(2,484)	(49,933)	(13,010)	(20,244)	(4,319)	(9,876)	(2,484)	(49,933)
At 30 June 2008, Net of Accumulated Depreciation	**71,812**	**35,005**	**28,621**	**64,452**	**4,894**	**204,784**	**71,812**	**35,005**	**28,621**	**64,452**	**4,894**	**204,784**
At 30 June 2008												
Cost	84,822	55,422	33,228	74,328	7,388	255,188	84,822	55,422	33,228	74,328	7,388	255,188
Accumulated depreciation	(13,010)	(20,417)	(4,607)	(9,876)	(2,494)	(50,404)	(13,010)	(20,417)	(4,607)	(9,876)	(2,494)	(50,404)
Net Carrying Amount	**71,812**	**35,005**	**28,621**	**64,452**	**4,894**	**204,784**	**71,812**	**35,005**	**28,621**	**64,452**	**4,894**	**204,784**
Year Ended 30 June 2007												
At 13 July 2006, net of accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Additions	-	19,449	30,351	-	4,500	54,300	-	19,449	30,351	-	4,500	54,300
Depreciation charge for the year	-	(173)	(288)	-	(10)	(471)	-	(173)	(288)	-	(10)	(471)
At 30 June 2007, Net of Accumulated Depreciation	**-**	**19,276**	**30,063**	**-**	**4,490**	**53,829**	**-**	**19,276**	**30,063**	**-**	**4,490**	**53,829**
At 30 June 2007												
Cost	-	19,449	30,351	-	4,500	54,300	-	19,449	30,351	-	4,500	54,300
Accumulated depreciation	-	(173)	(288)	-	(10)	(471)	-	(173)	(288)	-	(10)	(471)
Net Carrying Amount	**-**	**19,276**	**30,063**	**-**	**4,490**	**53,829**	**-**	**19,276**	**30,063**	**-**	**4,490**	**53,829**

11. EXPLORATION AND EVALUATION ASSETS

	Consolidated		Company	
	2008 $	2007 $	2008 $	2007 $
Non-Current				
Capitalised explorations costs- Exploration and evaluation phases	13,617,396	171,900	-	171,900
Total	**13,617,396**	**171,900**	**-**	**171,900**

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective mining areas.

Consolidated entity	Exploration Joint Venture	Exploration Other	Total
Capitalised tenement expenditure movement reconciliation			
Balance at the beginning of the year	171,900	-	171,900
Additions through issue of equity instruments	-	10,955,000	10,955,000
Additions through expenditure capitalised	460,931	2,662,396	3,123,327
Reductions through joint venture contributions	-	-	-
Write off of tenements relinquished	(632,831)	-	(632,831)
Balance at End of Year	**-**	**13,617,396**	**13,617,396**

12. SHARE-BASED PAYMENTS

The expense recognised in the income statement in relation to share-based payments is disclosed in note 3c. The following table illustrates the number (No.) and weighted average exercise prices (WAEP) and movements in share options issued to director's during the year:

	2008	2008	2007	2007
	No.	WAEP	No.	WAEP
Outstanding at the beginning of the period	2,000,000	0.25	-	-
Granted during the period	1,500,000	0.35	2,000,000	0.25
Outstanding at the End of the Period	**3,500,000**	**0.29**	**2,000,000**	**0.25**
Exercisable at the end of the period	500,000	0.30	-	-

The outstanding balance as at 30 June 2008 is represented by:

- A total of 2,000,000 options issued on 29 December 2006, vesting immediately exercisable from escrow release date on 29 December 2008 until 28 May 2010 with a strike price of $0.25 and a fair value per option at grant date of $0.044.

- A total of 500,000 options issued on 12 November 2007, vesting immediately and exercisable until 11 November 2011 with a strike price of $0.30 and a fair value per option at grant date of $0.212.
- A total of 500,000 options issued on 12 November 2007, vesting on 12 November 2008 and exercisable until 11 November 2011 with a strike price of $0.35 and a fair value per option at grant date of $0.204.
- A total of 500,000 options issued on 12 November 2007, vesting on 12 November 2009 and exercisable until 11 November 2011 with a strike price of $0.40 and a fair value per option at grant date of $0.204.

Contractual life of options

The weighted average remaining contractual life for the share options outstanding as at 30 June 2008 is 2.77 (2007: 3.49).

Exercise price of options

The exercise price for options outstanding at the end of the period was $0.29 (2007: $0.25).

Fair value of options

The weighted average fair value of options granted during the period was $0.107 (2007: $0.044). The fair value of the equity-settled share options granted under the option scheme is estimated as at the date of grant using a Black-Scholes model taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the model used for the year ended 30 June 2008:

	2008	2007
Historical volatility (%)	80%	40%
Risk-free interest rate (%)	5.92%	5.96%
Expected life of option (years)	4	5

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

13. TRADE AND OTHER PAYABLES

	Consolidated		Company	
	2008 $	2007 $	2008 $	2007 $
Current				
Trade payables *	315,093	184,461	315,093	184,461
	315,093	**184,461**	**315,093**	**184,461**

**Trade payables are non-interest bearing and are normally settled on 30-day terms.*

14. PROVISIONS

	Consolidated		Company	
	2008 $	2007 $	2008 $	2007 $
Current				
Annual leave provision				
Opening Balance	-	-	-	-
Transfer to/(from) provision	11,089	-	11,089	-
Closing Balance	**11,089**	**-**	**11,089**	**-**

15. ISSUED CAPITAL

	Consolidated		Company	
	2008 $	2007 $	2008 $	2007 $
Issued Capital				
58,900,000 (2007:32,900,000) fully paid ordinary shares	16,499,233	5,891,181	16,499,233	5,891,181
	16,499,233	**5,891,181**	**16,499,233**	**5,891,181**

	2008		2007	
	Number	$	Number	$
Balance at beginning of financial period	32,900,000	5,891,181	-	-
Shares issued during the period :				
Seed Capital- Directors, issued at $0.01 per share	-	-	600,000	6,000
Seed Capital- Other, issued at $0.10 per share	-	-	2,300,000	230,000
Share issue as per Initial Public Offer at $0.20 per share	-	-	30,000,000	6,000,000
Share issue to Buffalo Gold Limited	25,000,000	10,425,000	-	-
Share issue to the Managing Director	1,000,000	200,000	-	-
Transaction costs on share issue	-	(24,212)	-	(492,598)
Tax portion of IPO costs	-	7,264	-	147,779
Balance at End of Financial Year	**58,900,000**	**16,499,233**	**32,900,000**	**5,891,181**

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

Fully paid ordinary shares carry one vote per share and carry the right to dividends (in the event such a dividend was declared).

16. ACCUMULATED LOSSES

	Consolidated		Company	
	2008 $	2007 $	2008 $	2007 $
Balance at beginning of financial year	(359,107)	-	(359,107)	-
Net loss attributable to members of the Company	(1,544,695)	(211,328)	(1,544,695)	(211,328)
Tax Portion of IPO Costs	(7,264)	(147,779)	(7,264)	(147,779)
Balance at End of Financial Year	**(1,911,066)**	**(359,107)**	**(1,911,066)**	**(359,107)**

17. RESERVES

	Consolidated		Company	
	2008 $	2007 $	2008 $	2007 $
Share-option reserve	865,598	132,768	865,598	132,768
	865,598	**132,768**	**865,598**	**132,768**
Share-Option Reserve				
Balance at beginning of financial year	132,768	-	132,768	-
Options expensed during the year	732,830	88,512	732,830	88,512
Options issued to Underwriter	-	44,256	-	44,256
Balance at End of Financial Year	**865,598**	**132,768**	**865,598**	**132,768**

The share-option reserve records items recognised as expenses on valuation of employee share options and other equity settled transactions

18. COMMITMENTS FOR EXPENDITURE

Exploration leases

Minimum expenditure on exploration tenements on which the Company has title are as follows:

	Company ($)
Within 1 year	1,323,000
Within one to five year	6,573,500
Total	**7,896,500**

19. CONTINGENT ASSETS AND LIABILITIES

At the date of signing this report, the Company is not aware of any contingent asset or liability that should be disclosed in accordance with AASB 137.

20. AUDITOR'S REMUNERATION

	Consolidated		Company	
	2008 $	2007 $	2008 $	2007 $
Audit or review of financial report	27,530	6,900	27,530	6,900
Other Non Audit Services	-	5,000	-	5,000
	27,530	**11,900**	**27,530**	**11,900**

21. FINANCIAL INSTRUMENTS

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and accumulated losses as disclosed in the notes to the financial statements.

Proceeds from share issues are used to maintain and expand the Groups exploration activities and fund operating costs.

Categories of financial instruments

	Consolidated		Company	
	2008 $	2007 $	2008 $	2007 $
Financial Assets				
Cash and cash equivalents	1,647,737	5,477,719	1,647,627	5,477,719
Trade and other receivables	157,742	113,646	2,942,759	113,646
Financial Liabilities				
Trade and other payables	315,093	184,461	315,093	184,461

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from activities.

The Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk.

Interest rate sensitivity analysis

At reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's:

- Net profit would increase or decrease by $17,814 which is mainly attributable to the Group's exposure to interest rates on its variable bank deposits.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves.

Liquidity and interest risk tables

The following table details the Company's and the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Non-Interest Bearing maturing <1 year $
2008	
Consolidated	315,093
Company	315,093
2007	
Consolidated	184,461
Company	184,461

The following table details the Company's and the Group's expected maturity for its non-derivative financial assets. The table below has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Company/Group anticipates that the cash flow will occur in a different period.

	Weighted average effective interest rate	Variable interest rate maturing <1 year $	Non-Interest Bearing maturing <1 year $
2008			
Consolidated	7.40%	1,647,737	157,742
Company	7.40%	1,647,627	2,942,759
2007			
Consolidated	6.91%	5,477,719	113,646
Company	6.91%	5,477,719	113,646

22. BUSINESS COMBINATIONS

The agreement with Buffalo Gold Limited (Buffalo) was executed in November 2007 transferring 100% of the voting shares in Murphy Uranium Pty Ltd to Bondi. Murphy Uranium Pty Ltd holds an Australian Uranium portfolio, which is made up of 20 granted tenements and 3 applications totalling 15,085km^2 in Northern Territory and Queensland.

In consideration for the acquisition of this portfolio, Bondi issued 25 million fully paid ordinary shares to Buffalo, along with 5 million options to subscribe for ordinary shares at 60 cents per share with an exercise period of two years.

From the date of acquisition, Murphy has not contributed to the net loss of the Group.

If the combination had taken place at the beginning of the year, the loss for the Group would have remained $1,544,695.

	Principal activity	Date of acquisition	Proportion of shares acquired %	Cost of acquisition $
Name of Business Acquired				
Murphy Uranium Pty Ltd	Exploration	27/11/2007	100%	10,955,000
			Consolidated	
			Recognised on acquisition $	Carrying Value $
Exploration and evaluation assets			10,955,000	3,855,392
Total Assets			10,955,000	3,855,392
Fair Value of Identifiable Net Assets			**10,955,000**	**3,855,392**
Cost of the Business Combination:				
Fair value of shares issued				
- 25 Million shares issued at fair value price of $0.417			10,425,000	
Fair value of options issued				
- 5 Million options issued at fair value of $0.106			530,000	
Total Cost of the Combination			**10,955,000**	
Cash Inflow on Acquisition				
The cash inflow on acquisition is as follows:				
Net cash acquired with the subsidiary			-	

23. RELATED PARTY DISCLOSURE

a. Dr Richard Valenta is the managing director of Proton Geoscience Pty Ltd (Consultant) which has been engaged by the Company from 1 July 2007 to advise the Company in all aspects of the business. The Company will pay a retainer of $10,000 per month to the Consultant and the engagement may be terminated by either the Company or Consultant by giving to the other not less than 6 months notice. Following approval by shareholders, Dr Richard Valenta took a $200,000 placement in the Company's shares at the Initial Public Offering share price. He also received the issue of the 1,500,000 options.

b. Creagh O'Connor is a director of Gryphon Partners Pty Ltd (Consultant) which has been engaged to provide corporate advisory services from 1 July 2007. The Company will pay a retainer of $2,083 per month to the Consultant and the engagement may be terminated by either the Company or Consultant by giving to the other not less than 1 months notice. In addition, should Bondi progress to detailed discussions on any acquisition, merger or takeover, then a monthly fee of $15,000 will apply plus a success fee of 1% of the value of the acquisition or target company. A sign on fee of 1 million options exercisable within four years of issue into an equivalent amount or ordinary shares of the Company upon payments of 25 cents per option was also issued.

c. Details of key management personnel's interests in shares and options of the Company and their remuneration can be found in the directors' report.

24. SUBSIDIARY

Name of entity	Country of incorporation	Ownership interest	
		2008 %	2007 %
Parent Entity			
Bondi Mining Ltd	Australia		
Subsidiaries			
Murphy Uranium Pty Ltd	Australia	100	0

25. AFTER BALANCE DATE EVENTS

The Company announced on 11 August 2008 that it had signed an agreement with WCP Resources Limited for Phosphate Exploration within its Murphy Project, Northern Territory.

The transaction terms provide for WCP to earn a 70% interest in all phosphorous minerals contained within eight granted exploration licences, with the exception of any phosphorous minerals directly associated with a uranium deposit, via a $150,000 minimum expenditure commitment within the first twelve months, followed by expenditure of $750,000 over the first three years to earn a 51% interest, and an additional $750,000 over the subsequent two years to earn a 70% interest. Bondi has been commissioned to manage the minimum expenditure program, after which WCP has a right to become the operator or withdraw from the agreement.

26. COMPANY DETAILS

The registered office of the company is:
Level 2, 32 Park Road
MILTON QLD 4064

The principal place of business is:
Level 2, 32 Park Road
MILTON QLD 4064

Directors' Declaration

The directors of the company declare that:

1. the financial statements, notes and remuneration disclosures contained in the Directors' Report, are in accordance with the Corporations Act 2001; and
    - a. comply with Accounting Standards and the Corporations Regulations 2001; and
    - b. give a true and fair view of the financial position as at 30 June 2008 and of the performance for the period ended on that date of the company;
2. The managing director and company secretary have each declared:
    - a. the financial records of the company for the financial period have been properly maintained in accordance with section 286 of the Corporations Act 2001; and
    - b. the financial statements, and the notes for the financial period comply with the accounting standards; and
    - c. the financial statements and notes for the financial period give a true and fair view;
3. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors

On behalf of the board

Dr Richard Valenta
Managing Director

Dated this 17th day of September 2008

Independent Audit Report to members of Bondi Mining Limited

PKF
Chartered Accountants
& Business Advisers

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of Bondi Mining Ltd, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL REPORT

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or

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PKF
Chartered Accountants
& Business Advisers

error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENCE

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

AUDITOR'S OPINION

In our opinion the financial report of Bondi Mining Ltd is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the company's financial position as at 30 June 2008 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

PKF
Chartered Accountants

P J WHELAN
Partner

Signed at Adelaide this 17th day of September 2008.

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ASX Additional Information

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 16th September 2008.

USE OF CASH AND CASH EQUIVALENTS

The company has used all cash and cash equivalents for the purpose of carrying out its stated business objectives.

DISTRIBUTION OF EQUITY SECURITIES

Ordinary share capital

- 58,900,000 fully paid ordinary shares are held by 545 individual shareholders. Of these fully paid ordinary shares, 25,000,000 are escrowed until 20 November 2008 and 770,000 escrowed until 28 December 2008.

All issued ordinary shares carry one vote per share.

Options

- 9,500,000 unlisted options are held by 6 individual option holders. Of these unquoted options 3,000,000 are escrowed until 28 December 2007 and 5,000,000 escrowed until 28 December 2008.

The number of shareholders, by size of holding, in each class are:

	Fully paid ordinary shares	Unquoted options
1 - 1,000	11	-
1,001 - 5,000	60	-
5,001 - 10,000	109	-
10,001 - 100,000	305	-
100,001 and over	60	6
	545	6
Holding less than a marketable parcel	55	-

Substantial shareholders

Ordinary shareholders	Fully paid	
	Number	Percentage
Gold Finance and Exploration Pty Limited	8,166,667	13.87%
Gold FX Pty Limited	8,166,667	13.87%
Canon Investments Pty Limited	8,166,666	13.87%
	24,500,000	41.60%

Holders of unquoted options with an interest greater than 20% of class:

	Unquoted Options	
	Number	Percentage
Options held beneficially for Buffalo Gold Ltd		
Gold Finance and Exploration Pty Limited	1,666,667	17.54%
Gold FX Pty Limited	1,666,667	17.54%
Canon Investments Pty Limited	1,666,666	17.54%
Total	**5,000,000**	**52.63%**

Twenty largest holders of quoted equity securities:

	Fully Paid Ordinary Shares	
	Number	Percentage
Gold Finance and Exploration Pty Limited	8,166,667	13.87%
Gold FX Pty Limited	8,166,667	13.87%
Canon Investments Pty Limited	8,166,666	13.87%
Gryphon Partners Pty Ltd c/- R Greenslade	2,500,000	4.24%
AWJ Family Pty Ltd <A W Johnson Family A/c>	2,077,834	3.53%
Mr Robert James Pullar & Mrs Rebecca Anne Pullar <Robert Pullar Super Fund A/c>	2,000,000	3.40%
Proton Geoscience Pty Ltd	1,000,000	1.70%
Dorica Nominees Pty Ltd <Super Fund A/c>	600,000	1.02%
AMH Custodian Pty Ltd	560,000	0.95%
Mr Derek Carter & Mrs Carlsa Carter <Salamanca Super Fund A/c>	550,000	0.93%
Carnethy Evergreen Pty Ltd <Carnethy Evergreen Fund A/c>	500,000	0.85%
Daycorp Capital Pty Ltd <Daycorp Capital A/c>	500,000	0.85%
Ben Buckler House <Baker Taylor S/Fund A/c>	500,000	0.85%
M P Management (Aust) Pty Ltd	500,000	0.85%
Springtide Capital Pty Limited <Cockatoo Valley Invest A/c>	500,000	0.85%
Corporate Property Services Pty Ltd	305,369	0.52%
Mrs Nicole Martyr	300,000	0.51%
Octifil Pty Ltd	300,000	0.51%
Ms Patricia Wong	300,000	0.51%
Ms Mary Anne Kelton	290,000	0.49%
	37,783,203	**64.15%**

Schedule of Mineral Tenements

Northern Territory

Tenement No	Tenement Name	Holder	Interest	Grant Date	Expiry Date	Area (sq km)	Expenditure
EL24694	Coanjula	Murphy Uranium Pty Ltd	100%	2/28/2006	2/27/2012	880	110,000
EL24841	Puzzle	Murphy Uranium Pty Ltd	100%	8/1/2006	7/31/2012	900	132,000
ELA 24892	Lake Amadeus South	Murphy Uranium Pty Ltd	100%	Application (vetoed)		1,487	50,000
ELA 24893	Lake Amadeus North	Murphy Uranium Pty Ltd	100%	Application (vetoed)		662	35,000
ELA 24894	Lake Neal	Murphy Uranium Pty Ltd	100%	Application (vetoed)		526	40,000
EL25708	Spear Creek	Murphy Uranium Pty Ltd	100%	8/29/2007	8/28/2013	235	20,000
EL25709	Ballyaira Creek	Murphy Uranium Pty Ltd	100%	8/29/2007	8/28/2013	619	40,000
EL25710	Cresswell Downs	Murphy Uranium Pty Ltd	100%	8/29/2007	8/28/2013	1,630	90,000
EL26138	Bullock Creek	Murphy Uranium Pty Ltd	100%	12/20/2007	12/19/2013	1,421	90,000
EL26139	Buffalo Creek	Murphy Uranium Pty Ltd	100%	12/20/2007	12/19/2013	1,386	90,000
EL26140	Bluebush Bore	Murphy Uranium Pty Ltd	100%	12/20/2007	12/19/2013	1,327	90,000
					Sub-total	11,073	

Queensland

Tenement No	Tenement Name	Holder	Interest	Grant Date	Expiry Date	Area (sq km)	Expenditure
EPM15422	Maureen Nth 1	Murphy Uranium Pty Ltd	100%	3/6/2007	3/5/2012	278	70,000
EPM15424	Maureen Nth 2	Murphy Uranium Pty Ltd	100%	3/7/2007	3/6/2012	278	70,000
EPM15425	Maureen Nth 3	Murphy Uranium Pty Ltd	100%	3/6/2007	3/5/2012	411	90,000
EPM15427	Martin Ck	Murphy Uranium Pty Ltd	100%	1/14/2008	1/13/2013	72	25,000
EPM15430	Middle Ck	Murphy Uranium Pty Ltd	100%	3/7/2007	3/6/2012	89	30,000
EPM15431	Lancewood Ck	Murphy Uranium Pty Ltd	100%	3/7/2007	3/6/2012	272	30,000
EPM15434	Silent Ck	Murphy Uranium Pty Ltd	100%	2/20/2008	2/19/2013	345	90,000
EPM15435	Galloway Ck	Murphy Uranium Pty Ltd	100%	3/7/2007	3/6/2012	278	70,000
EPM15436	Ten Mile Ck	Murphy Uranium Pty Ltd	100%	1/14/2008	1/13/2013	350	90,000
EPM15437	Etheridge River	Murphy Uranium Pty Ltd	100%	3/7/2007	3/6/2012	217	47,000
EPM15202	Juntala	Murphy Uranium Pty Ltd	100%	1/22/2008	1/21/2013	678	90,000
EPM11709	Mt. Hogan	Newcrest Operations Ltd	100% Uranium rights	3/14/2005	3/13/2008	186	100,000
					Sub-total	3,453	
					Total area	14,526	

BONDI MINING

Registered and Principal Office

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